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AN INNOVATIVE new idea raised at the Australia 2020 Summit could improve the fortunes of millions of the world's poorest people. Developed by Professor Thomas Pogge of the ANU's Centre for Applied Philosophy and Public Ethics, the concept was first aired at the Youth Summit by Tom O'Connor, a Melbourne university student.

Track2 for Access to Essential Medicines would reward drug companies according to how effectively they improve health outcomes for people in developing countries.

"The idea is to create a second market for drugs in which pharmaceutical companies are paid based on the health impact of their drugs. It's a reward-based system, rather than a user-pays system," said Mr O'Connor, who went on to present the idea at the Australia 2020 Summit.

Drug companies would be paid out of a global "health impact fund" which governments would contribute money to.

"Under this second market, a hair loss medicine developed for a fat guy in California is now less profitable than the anti-malarial drug developed for a child dying of malaria in an African village," said Mr O'Connor. "It's a way of making the pharmaceutical industry work more for people's health across the world."

Mr O'Connor first heard about the concept at a lecture given by Professor Pogge in Melbourne.

"I was blown away. Sitting in the audience, I was struck by the idea that the market is the most powerful organising principle we have, but that there are ways we can restructure incentives to make essential medicines more affordable for the poor."

Professor Pogge said the health impact fund would also benefit Australians.

"Medicines developed under this scheme would be a lot cheaper than they otherwise would have been. For people who pay for their own medications there's an immediate benefit." Improving access to medications in developing countries would also help protect Australians from disease. "We pay so little attention to diseases that are being incubated and bred in developing countries, but they can make the transition to developed countries very quickly and easily," said Professor Pogge. "It's a small amount of money to pay for a lot of insurance."

The legal dimensions of Track2 will be the subject of a workshop at the ANU's Centre for Public and International Law in May.