



AFTINET BULLETIN: May 2016

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Introduction

Welcome to the March edition of our Trade Justice Bulletin.

In this edition you'll find an article exploring the cost of the TPP on our health system as well as all the latest trade news. Please feel free to share this material far and wide!

With an election coming up, representatives are feeling the pressure and it's a great time to make sure they understand how many of us oppose the dangerous provisions in the TPP. You can send a message to your MP and Senators in just a few minutes [here](#).

Election 2016: Where do your candidates stand on the TPP?

The Federal Election has been officially called - but where do your candidates stand on the TPP?

With the parliamentary vote on the TPP's implementing legislation set to take place soon after the election, the public has the right to know which way each candidate will vote.

We know that the Coalition is pushing the deal in Parliament - but the position of the Labor party and some independents is not yet clear.

[Will you ask your MP or Senators to publicly commit to voting against the TPP?](#)

With an election coming up, representatives are feeling the pressure and it's a great time to make sure they understand how many of us oppose the dangerous provisions in the TPP.

We've set up a new online form which will identify your electorate and be sent to both your local MP and your Senators - just [follow this link](#).

Budgeting for health under the TPP

Providing a decent level of healthcare for all Australians is getting more expensive every year – and the problem is only going to get worse if Australia ratifies the Trans-Pacific Partnership (TPP).

Last week's budget showed that the Coalition Government has [modified some previous cuts](#) but overall spending will decrease over time when more funding is needed to keep up with rising costs.

If the TPP is ratified, governments will need to spend even more money subsidising medicines so that healthcare remains accessible for all Australians. It will mean budgeting for health under the TPP will be even more complicated.

Trade agreements, medicine patents and the PBS

Australia's Pharmaceutical Benefits Scheme (PBS) subsidises medicines so that they are affordable for all. But the cost of this essential scheme is growing every year as pharmaceutical companies pocket steep prices for medicines under generous 20-year monopoly patent rights.

The Coalition's pre-election budget doesn't do much to fix the problem - except to try to push price increases on to consumers. Though it will be hard to get through the Senate, their [policy is still to increase co-payments](#) for medicines bought under the Pharmaceutical Benefits Scheme (PBS).

This has been condemned by medical professionals because [studies show](#) that low income patients will miss out on vital medicines.

A recent draft [Productivity Commission report](#) into copyright and patents was critical of the way trade agreements have been negotiated. It estimated that the Howard government's decision to extend monopoly rights for pharmaceutical companies through the 2005 Australia-US trade agreement is costing Australian consumers and governments \$250 million each year because of higher medicine costs.

Trade agreements negotiated with little scrutiny and foresight have locked us in to a broken patent system which is already costing our health system hundreds of millions of dollars.

And it's not only Australia – these rules are pushing prices up around the world, having a devastating effect in poor countries. The United Nations has recognised the problem and has enlisted [former high court judge Michael Kirby](#) on a panel to examine the contradiction between stronger medicine monopolies in trade agreements and the UN sustainable development goal to provide everyone in the world with medicines by 2030.

Extra monopolies for biologics in the TPP

The TPP not only further locks in an unbalanced patent system, but it also provides additional monopoly rights for the costly biologic medicines used to treat cancer and other serious diseases.

Australian law on biologic monopolies will not change immediately, but the text requires our Government to deliver an additional three years of extra data protection “by other means”. This was confirmed to US pharmaceutical companies by then Trade Minister Andrew Robb (despite telling the Australian public a [different story](#)).

Put simply, the TPP's rules on biologic medicines will extend the delay before cheaper versions enter the market. Experts have estimated that this could add [hundreds of millions of dollars a year](#) to the costs of the PBS.

The TPP has been signed but it has not yet been ratified. There is still time to persuade our politicians to vote no when its implementing legislation comes before Parliament after the election.

You can ask your representatives to take a stand and vote no to the TPP [here](#).

TPP locks in copyright and patent rules, making reform near impossible

A new draft [Productivity Commission report](#) has found that copyright and patent rules agreed to in the Australia-US Free Trade Agreement are costing governments and consumers hundreds of millions of dollars a year. It has also called for a reform of our copyright laws for the benefit of consumers.

The PC report has estimated that the Howard government's decision to agree to US demands and extend monopoly rights for pharmaceutical companies by an extra five years is currently costing Australian consumers and Governments \$250 million annually in higher medicine costs.

Similarly, the AUSFTA's extension of copyright terms from 20 years to the life of the author plus 70 years is also probably costing an extra \$88 million in fees to overseas rights holders each year.

The report has recommended copyright reform to protect consumers - including tougher laws about patenting, free import of books and "fair use" copyright provisions.

But the report also acknowledges that multilateral and bilateral trade deals are the "primary determinant" of Australia's IP arrangements, and that "these agreements substantially constrain domestic IP policy flexibility".

As *The Age's* economics editor Peter Martin observed, when it comes to copyright reform, our [hands are tied](#) by trade agreements. He writes:

"What [the Productivity Commission] wanted to do was to wind back Australia's 120 years plus copyright terms. It reckons 15 to 25 years is all that's needed. It says the average commercial life of a book is 1.4 to 5 years. Beyond that, the harm copyright does by locking things up outweighs any conceivable benefit to the authors in extra income. But it couldn't. Australia's trade agreement with the US prevents Australia backsliding, as do the new agreements with Korea and Singapore and the upcoming Trans-Pacific Partnership. It says the Australian government shouldn't have made the commitments on copyright without first assessing the costs and benefits. It wants Australia to try and unpick those deals, something it acknowledges is next to impossible."

This is just another example of why we need much greater [transparency](#) and scrutiny of our trade agreements during the negotiating process.

It also highlights the need for proper cost-benefit analysis of trade deals before they are signed - something the Coalition government has [refused to do for the TPP](#) despite calls from diverse community groups representing millions of Australians.

As the Productivity Commission recognises, unpicking trade deals that are already in place is extremely difficult. It is much better to ensure proper analyses and scrutiny before these deals come into force.

In the case of the TPP it is not too late - though the deal has been signed, it has yet to be ratified by the Australian government. Its implementing legislation will come before the Australian Parliament after the Federal election.

AFTINET is campaigning for all candidates to make their positions clear on the TPP before the election.

You can ask your candidates to take a stand and vote no to the TPP's implementing legislation [here](#).

Learn more:

- Peter Martin's news article in *The Age*: [Productivity Commission calls for free import of books, copyright shake-up](#) (29/04/2016)

- Peter Martin's opinion piece: [The Productivity Commission's hands were tied on copyright](#) (29/04/2016)

- *The Australian* also reported that global pharmaceutical giants are boosting revenues by unnecessarily extending patents in Australia, which is also slowing access to cheaper drugs: [Big pharma gaming patents for extra cash: Productivity Commission](#) (29/04/2016).

Trade experts warn of RCEP dangers in Perth

Trade experts including AFTINET's Convener Dr Patricia Ranald, the Public Health Association's Dr Belinda Townsend and Dr Kyla Tienhaara from the ANU travelled to Perth to attend Regional Comprehensive Economic Partnership (RCEP) stakeholder consultations.

At a lively public forum attended by around 50 people, they warned of the dangers in the RCEP deal, which includes the 10 ASEAN countries plus Australia, New Zealand, China, Japan, India and South Korea.

A new trade architecture

Dr Patricia Ranald is concerned about the potential "convergence" of the RCEP with the Trans-Pacific Partnership (TPP). She said both deals could impact on jobs, the price of medicines and on the ability of governments to make laws to protect the public interest.

"The main beneficiaries will be global corporations, not ordinary citizens," she said.

Impact on medicines

Public health expert Dr Belinda Townsend is particularly concerned about [leaked documents](#) which indicate that some countries are seeking stronger monopolies on medicines that could delay access to cheaper generic medicines in low and middle income RCEP countries.

"These provisions would be particularly damaging if applied to India, which supplies more than 80 per cent of the world's supply of generic HIV/AIDS medicines, because they could delay access to affordable versions of new life-saving medicines," said Dr Townsend. Read more about the Public Health Association's concerns [here](#).

More corporate power

[Leaks](#) also reveal that investor state dispute settlement (ISDS) provisions are on the table in the RCEP negotiations.

These controversial provisions appear in the TPP and they give global corporations the right to bypass national courts and sue governments for billions of dollars if a change in law or policy harms their investment.

Dr Kyla Tienhaara said that corporations have used ISDS provisions to challenge [tobacco regulation](#), [environmental policies](#) and even a rise to the [minimum wage](#).

More news from our website

- [Fighting the TPP on May Day](#): The TPP is a trade deal that sets global rules that will further tip the balance of power into the hands of the already wealthy and big corporations – and away from working people. [Read more.](#)

- Croaky: Never mind the Budget, what is the TPP going to mean for health? As many Australians focus on tonight's budget, an event in Adelaide will examine the health impacts of a much bigger event for the world's health - the Trans-Pacific Partnership. [Read more.](#)
- RCEP could limit access to medicines: A draft Regional Comprehensive Economic Partnership (RCEP) Intellectual Property chapter was leaked online last week and it raises concerns about access for medicines, especially in low and middle income countries. [Read more...](#)
- Get used to 'ridiculous food labels': At AFTINET's TPP forum at NSW Parliament House on Wednesday, Choice policy and campaigns adviser Sarah Agar spoke about the difficulties consumer advocates will face campaigning for stronger food labelling laws if the TPP is ratified. [Read more...](#)
- Labour rights, the upcoming election & the TPP: The TPP should be an election issue. If it is ratified, the deal will set global rules that will further tip the balance of power into the hands of the already wealthy and big corporations – and away from working people. (UPDATED) [Read more...](#)
- TPP, the Presidential Race & the US Congress: Lori Wallach from US Public Citizen addresses AFTINET's TPP forum in Sydney this week by video. She talks about the TPP, the presidential race and the US Congress. [Read more...](#)
- TPP could 'undercut' urgent climate action: The TPP and the TTIP combined have the potential to undercut urgently needed action on climate that the Paris agreement requires, writes Nobel Prize winning economist Joseph E. Stiglitz. [Read more...](#)
- Successful TPP forum in Sydney: AFTINET held a successful lunchtime forum about the TPP and the Australian and US elections in Sydney on April 20, attended by 70 people. [Read more...](#)
- Rush to finish trade deals before election undemocratic: Completing secret negotiations on the India FTA and PACER-Plus agreement during the election period could violate the caretaker convention and would be undemocratic. [Read more...](#)

Last chance: book now for our Annual Trade Justice dinner

We hope you'll join us for an evening of delicious Greek food, entertaining speakers and great company at our annual fundraising dinner. All proceeds will support our trade justice campaigns on the TPP and other trade deals.

Our special guest speaker this year is Kelvin Thomson MP - the Deputy Chair of the Joint Standing Commission on Treaties and a longstanding advocate for fair trade.

Book by 10 May: [Details and booking form here.](#)

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