

# DON'T TRADE AWAY HEALTH



**The Australian government is negotiating a trade agreement spanning across 12 countries in the Pacific. But the deal is not only about free trade, and it poses real threats to public health.**

The Trans-Pacific Partnership Agreement (TPPA) involves Australia, the US, New Zealand, Canada, Peru, Chile, Mexico, Singapore, Brunei, Malaysia, Japan and Vietnam. The negotiations are shrouded in secrecy, but limited public information and leaked documents show that the agenda on health and medicines is being set by giant US pharmaceutical and tobacco corporations, and threatens to:

- **Increase patent rights leading to higher medicine prices**
- **Undermine our Pharmaceutical Benefits Scheme**
- **Give special rights for corporations to sue governments for damages**
- **Restrict government public health regulations for food labelling**

After three years of negotiations, the pressure is on to sign the deal this year. We need to ensure that the Australian Coalition government rejects any proposals which would affect the affordability of medicines and retains the ability to regulate in the interest of public health.

### Longer patents leading to higher medicine prices

Pharmaceutical companies already have patent rights to charge high monopoly prices for new medicines for 20 years before we can access cheaper generic medicines. However, US trade negotiators, on behalf of pharmaceutical companies, are demanding stronger patent rights in the TPPA.

This would further delay the availability of cheaper medicines. Australians would have to pay higher prices for medicines, and in developing countries new medicines would become unaffordable.



### Undermining our Pharmaceutical Benefits Scheme (PBS)

In the US, where there is no national system to regulate the price of medicines, the wholesale prices of new medicines are three to ten times higher than the prices in Australia. This makes retail prices even higher, and many people cannot afford to buy medicines. Through the Australian PBS, health experts compare the price and effectiveness of new medicines with the price of cheaper generic medicines to assess their health effects. They then regulate the wholesale and retail prices of many medicines in Australia, so that pensioners pay no more than \$5.90 and others no more than \$36.10 for important medicines. As well as keeping the prices of medicines low for consumers, the lower wholesale price reduces the cost to the taxpayer. This makes the PBS more sustainable in the long term.

However, US-based pharmaceutical companies argue that the PBS is a barrier to trade, and oppose these schemes because they receive a lower wholesale price for their medicines. US trade negotiators have proposed changes which would restrict price comparisons, such as those which are used in the PBS to make medicines affordable. The Australian government should not agree to these proposals, which would lead to higher costs for both consumers and governments.



## Tobacco corporations want rights to sue governments for damages

Large tobacco companies like Philip Morris are pushing for the inclusion of special rights for corporations in the TPPA which would allow foreign investors to sue governments for damages if their investments have been harmed by a particular law or policy, even if the law or policy protects public health. Known as investor-state dispute settlement, or ISDS, disputes are heard by international investment tribunals, not domestic courts. These tribunals give priority to investor rights rather than whether the law or policy is in the public interest.

ISDS is already being used to undermine Australia's democratic legislation. The Philip Morris tobacco company is trying to use an obscure 1993 Australia-Hong Kong investment agreement to sue the Australian Government for millions of dollars of damages in an international tribunal over the tobacco plain packaging legislation. The case is ongoing, despite the fact that the Australian High Court found that the law was a public health measure and the tobacco companies were not entitled to compensation under Australian law.

The Howard government did not agree to ISDS in the Australia-US Free Trade Agreement in 2004. However, the Coalition's trade policy is to negotiate on ISDS. We urge the Government to oppose clauses in the TPPA that grant special rights for foreign investors to sue governments.

## Restrict government public health regulations on food

Other proposals in the TPPA would restrict the ability of government to regulate food labelling, even if it is in the interest of public health.

Australia has laws which require information for consumers about what is in our food, like levels of fat, sugar and genetically modified ingredients, and warnings about safe levels of consumption for alcohol. As public health information improves, these may need to change, though democratic public discussion and Parliamentary legislation. The TPPA should not restrict the democratic regulation of food labelling for public health.

### Take Action!

The pressure is on to finish the negotiations by the end of this year. We are calling on our government to ensure that our health is not compromised by this trade agreement.

Our website has resources you can use to:

- Send a message to the Trade Minister
- Talk to your local Member of Parliament
- Discuss the TPPA with friends, relatives and workmates, or hold a local meeting
  - Become an AFTINET member
- Donate to support the campaign
  - Find out more

# www.aftinet.org.au

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Investment Network (AFTINET)**  
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#### More Information:

Leaked US intellectual property and medicines proposals in the TPPA negotiations: <http://www.citizenstrade.org/ctc/blog/2011/10/22/leaked-trans-pacific-fta-texts-reveal-u-s-undermining-access-to-medicine/>

Multi NGO submission to the Department of Foreign Affairs and Trade 'The Trans-Pacific Partnership, Intellectual Property and Medicines', 1 October 2013: <http://aftinet.org.au/cms/sites/default/files/Multi-NGO%20submission%20on%20IP%20%20Oct%202013.pdf#overlay-context=node/636>

Philip Morris Case documents: <http://www.ag.gov.au/international-relations/international-law/pages/tobaccoplainpackaging.aspx>