

I am writing to express my concern about the proposed Free Trade Agreement between Australia and the United States of America.

When the agreement was released, the current government said that the benefit for Australia was likely to be in the billions of dollars. This is extremely unlikely especially considering the US government is also claiming similar figures in benefits for their country.

The Pharmaceutical Benefits Scheme (PBS) is a safety net used by many low income earners to be able to afford the medicines they require. With the FTA, this scheme will be reviewed and most likely severely reduced in range and volume. Some American based drug manufacturers have already stated that they will be attempting to get the scheme revoked by taking court action if the FTA is brought in as law.

By scrapping the PBS, the prices of drugs could rise to American levels. This would cause many of the same problems in Australia that currently exist in America's health services.

In the farming sector, the FTA will also cause massive changes. The Australian market will be opened straight away for almost all American goods, but for some of the most important (to Australian farmers) products, the American market won't be opened up fully for 18 years and some (including sugar) won't be included at all. Several people supporting the FTA have come forward stating that this will help our farmers over the long term. More likely however, is that even a small amount of imports (relatively speaking) in some sectors will cause massive changes to the cost-benefits of importing rather than growing locally. If this occurs, it will cause some sections of the farming community to disappear completely.

As part of the free trade agreement, Australia would be forced to implement several American laws relating to copyrights and intellectual property. These would include laws similar to the Digital Millennium Copyright Act

(DMCA) and the introduction of software patents.

Software patents are patents which cover the most basic parts of computer programs. The European Union has voted against the introduction of software patents as they felt it was too harmful to software development companies and innovation in the industry. Implementing such laws would likely cause massive problems with Australian software development and is likely to cause some of the smaller development companies to close due to the cost of compliance.

The DMCA law in the US have caused many problems. Amongst other things, this law will remove the ability for products to be reverse engineered. This means that no one would be able to make devices that work with another companies products. Companies in the US have not been slow in using this law to stifle competition. Using the DMCA, the printer manufacturer Lexmark brought suit against a company which made 3rd party replacement toner cartridges. This was to stop them making cartridges for their printers, forcing users to only buy replacements from Lexmark directly. This is clearly anti-competitive behaviour but could be legal if the FTA gets through.

More worryingly, companies in the US using the DMCA have sued to cover up security vulnerabilities in their products. There have been several cases where people found problems with computer software but were silenced under the threat of legal action.

With the introduction of the FTA, the local media and entertainment industries are likely to be severely diminished. Local entertainment acts are less likely to be signed to record contracts as there would be no cash benefit to the recording studios to sign them. Instead, we can only expect to hear more American acts on TV and radio. The TV and film industry are also going to be hit. The amount of US shows on television screens would dramatically increase which is only going to cause less Australian content to be produced. The film industry is also going to be hit as any benefits for producing Australian films or making films in Australia are likely to be cut dramatically. This will cause this burgeoning Australian industry to collapse

While there are benefits for some of Australian manufacturers, the
benefits
for the majority isn't there. The introduction of the FTA over the
long term
is only going to limit peoples choices and cause some existing
Australian
markets to collapse.

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