

2<sup>nd</sup> April 2004

Secretary:  
Senate Select Committee on the Free Trade Agreement between Australia and the USA  
Suite S1.30.1  
The Senate  
Parliament House  
Canberra ACT 2600

Good morning

The terms of reference and guidelines on making submissions were not included in the letter to us dated 22<sup>nd</sup> March in which you invited us to make a submission. For this reason please excuse if format is not as you would want. Our main concerns relate to:

Higher Costs for Medicine:

The USFTA changes the PBS process to allow drug companies to seek reviews of PBS decisions. At the moment the Pharmaceutical Benefits Advisory Committee only lists new drugs for subsidy if they offer real health benefits and offer value for money. US drug companies say this is unfair. The USAFTA gives drug companies more opportunities to influence the committee before its decisions, and also provides for an independent review of decisions not to list their drugs on the PBS. There is also an opportunity for companies to apply for price adjustments after drugs have been listed (Side letter).

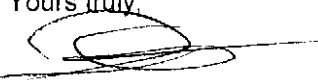
Our concern is why should drug companies (or any companies for that matter) have such rights? The tail is wagging the dog when any companies (especially those in another nation) are able to dispute how our government chooses to conduct itself? Whilst our government claims that these changes will not mean higher prices. Why would the negotiators on the US side argue for them if they did not think it would be in their interests – their interest being a higher price for US drug companies?

An article in the "Sydney Morning Herald" of 11<sup>th</sup> March 2004 reported Mr Robert Zoellick as saying that under the USFTA Australian's drug prices will rise.  
Can the government guarantee that the cost drugs supplied under the PBS and the cost of the PBS to taxpayers will not rise as a result of the signing of the USFTA?

US influence on quarantine & food labelling:

New processes have been established under the USFTA which will give the US government direct input in Australian laws and policies on quarantine and technical standards – including labelling of GE food. Can the government guarantee that Australia's quarantine regulations will be made on a scientific basis in the interests of Australia, not as a result of arm twisting by a more powerful trading partner?

US does not have labelling of GE food and they are, under the USFTA, requiring Australia to give "positive consideration" to accepting their technical regulations. Can the government guarantee that GE foods will be labelled so that Australians have a choice as to whether or not to purchase such goods?

Yours truly  
  
Fay & Tony Waddington  
Per Fay Waddington