

Leaders face challenge on trade threat to PBS

Clara Pirani, Health editor

The Australian

September 27, 2004

TWENTY leading medical and legal experts, and seven peak health and community services organisations, will send today an open letter to John Howard and Mark Latham demanding changes to the free trade agreement with the US before the agreement is ratified in late October.

In a 26-page document accompanying the letter the group analyses the agreement and claims it would allow US drug companies to challenge the Pharmaceutical Benefits Scheme.

The move by the group, which includes the Public Health Association of Australia and the Australian Council of Social Services, comes a day after 380 academics from almost every higher education institution issued an open letter demanding more honesty and independence from government.

The PBS letter asks that "additional safeguards are attached to the treaty to clarify ambiguities in the text that may undermine the integrity and basic framework of the Pharmaceutical Benefits Scheme".

The group, which also includes the Australian Consumers Association and the Combined Pensioners & Superannuants Association of NSW, is concerned US drug companies could appeal if the Pharmaceutical Benefits Advisory Committee refuses to list their products on the PBS. Medicines not subsidised by the scheme sell poorly in Australia, so it is better for a drug company to have its product on the list even though their profit margin is reduced.

Speaking on behalf of the letter's signatories, Australian National University senior lecturer in health, law and ethics, Tom Faunce, said that while Australian negotiators claimed the FTA would not alter the PBS, the Government could not explain why US negotiators have said the agreement would lead to changes.

"There's a provision in the agreement, article 21.2.C, that allows the Americans to initiate dispute proceedings where only the spirit of the treaty has been broken," Dr Faunce said.

In the other letter, the 380 academics say Australia's reputation has been tarnished by a string of events, including the children overboard affair, Iraq's missing weapons of mass destruction and the reasons for going to war there.

"This federal election provides an opportunity for both Mr Howard and Mr Latham to pledge that they will insist on truth and genuine accountability in government," they say.

The statement follows a letter from 43 senior former diplomats and soldiers who earlier this year also called for a return to honesty in government.