

YAGOONA CPSA
31 ALAN STREET
YAGOONA 2199

2/4/04

Parliament House
Canberra ACT 2600

RECEIVED
26 APR 2004

AUSTFTA Submission No: 193

Dear THE SECRETARY BY THE JOINT-STANDING COMMITTEE ON TREATIES

I am worried about the threat that the proposed FreeTrade Agreement between Australia and the United States poses to the Pharmaceutical Benefits Scheme (PBS).

The PBS is an essential part of Australia's public health care system. It ensures that Australians have access to medicines at affordable prices. Other countries look to the PBS as a successful model of equitable health care.

I understand that the US group PhRMA who represents major drug companies, thinks its members do not receive a sufficiently high price for the drugs they sell the Australian Government and is seeking changes to obtain higher profits.

It is widely documented that the pharmaceutical industry had been the most profitable industry in the US for the past decade, and last year sales were approximately 250 billion dollars. The pharmaceutical industry spends three times as much on marketing and advertising as it does on research and development of new drugs. Lipitor the world's first 10 billion dollar drug, is produced by US company Pfizer and is a cholesterol reducer. Many of the other top ten drug sales are anti-depressants, anti-psychotics, and anti-ulcerants.

The Australian Government says that the US drug companies do not want to dismantle the PBS but I am concerned about attempts to undermine price controls that ensure the Australian community gets value for money when the Government buys medicines on its behalf for inclusion on the PBS.

I call on the Australian Government to reject any attempt by the US Government to make the PBS a bargaining chip in the negotiations for a Free Trade Agreement and that it tell the US that Australia will not accept changes that undermine the PBS and its guarantee of providing essential medicines to all Australians at affordable prices.

Sincerely

Ruth Callaghan

Secretary

Yagoona Branch

Combined Pensioners & Superannuants
Association