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News release

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Vaile attempts to cover up US FTA intentions

Speaking on ABC radio this morning Trade Minister Mark Vaile dismissed the Australia Institute's call to remove the Pharmaceutical Benefits Scheme from the US-Australia free trade agreement negotiations saying the Americans have already stated they are not going after the PBS.

"You can't get it any clearer than that and that came from the American side, not our side," said Minister Vaile.

However, the Trade Department's own web site makes it clear that the PBS is not off the agenda. On March 21, 2003, US Chief Negotiator Ralph Ives was asked to clarify whether the PBS was on the negotiating table. Mr Ives said:

"...we are looking at how does it operate and we are just beginning that process".

When asked explicitly by a journalist: "I want to get it exactly right. Is it off or on?" Mr Ives replied:

"It is not a black or white issue. We are still examining it. But I wanted to be very clear is that the fundamental way the PBS delivers medicine to Australians, we are not looking at that". (http://www.dfat.gov.au/media/transcripts/2003/030321_fta_brief.html)

The Australia Institute yesterday released a report which found that if US drug companies gain the concessions they are seeking through the FTA the costs of prescriptions could double.

"We have called on the Government to declare categorically that the PBS is not part of the free trade negotiation, but Minister Vaile says he does not need to because the Americans are not interested. The US drug companies remain very interested. Minister Vaile could provide peace of mind to the sick and the elderly in Australia by taking an unambiguous stand," said Richard Denniss, Senior Research Fellow at the Australia Institute and co-author of the report *Trading in Our Health System?*