

TPPA ALERT – HANDS OFF OUR PUBLIC HEALTH SYSTEM!

What is the TPPA and how could it threaten our public health system?

The Trans-Pacific Partnership Agreement is a mega-treaty currently being negotiated between nine countries, including the US, Australia and New Zealand. In reality, the US will veto the final terms of any agreement that do not adequately serve the interests of its powerful corporations, including the drug companies, health insurers and tobacco giants.

What does the agreement aim to do?

Get rid of 'barriers' to business across all the countries involved - including public health policies that corporations object to because they impede their profits. The rules will be binding and enforceable in private international courts for decades; the corporations themselves may even be able to take governments to court and demand mega-millions in compensation for any new policies or laws that they say break the rules.

Have the corporations said which health policies they are targeting?

A whole swathe of health-related policies is potentially subject to the TPPA, ranging from foreign ownership of aged-care chains to health and safety rules for products to health qualifications. Among the most important NZ targets are the Pharmac scheme that makes medicines affordable; the no-fault Accident Compensation scheme for workplace and other accidents; and proposed restrictions on cigarette packaging and sales.

What have those health policies got to do with 'trade'?

TPPA negotiations aren't primarily about old-fashioned commodity 'trade'. They cover complex and overlapping chapters on intellectual property, investors' rights, market competition and public procurement that would restrict our choice of policies and laws, including public health.

Explain how a TPPA could stop us providing medicines through Pharmac?

Pharmac identifies a list of medicines that are priority for government spending and negotiates the price it will pay for them with the drug companies. The Big Pharma lobby expects the intellectual property chapter of the TPPA to restrict the government's ability to import cheaper generic drugs that keep prices down and to give companies more power over Pharmac's decisions. Subsidies to reduce the cost of drugs could also come under attack.

What would that mean for New Zealanders' access to medicines?

The health budget won't go so far if the government has to pay more for medicines, meaning it would either have to spend more, fund fewer medicines or require people to pay more. Those who can afford increased premiums for private health insurance would get access to lifesaving medicines, while the poor would have to choose between paying for food, rent or medicines.

Has that happened in other countries that have treaties with the US?

Australia's Pharmaceutical Benefits Scheme, similar to Pharmac, was weakened in the Australia US FTA and faces a renewed assault in the TPPA negotiations. Peru is another TPPA party with a USFTA, whose rules already delay access to cheaper generics medicines.

What is the story with tobacco?

The world's largest tobacco company Philip Morris International (PMI) has a hit list that targets four main measures: bans on displays of tobacco products; plain packaging of cigarettes; warnings on packets; and restrictions on marketing terms, such as 'lite' or 'low tar'. So far PMI

has focused on Singapore and Australia, but it will target any TPPA country adopting similar rules – like those recommended in last year’s Maori Affairs Committee report on Tobacco.

How could a trade agreement stop us regulating cigarettes?

A new law that reduces the value of an ‘investment’, which includes a ‘brand’, can be challenged as a breach of fair and equitable treatment; it’s unclear what benchmark would be used to assess that. PMI could enforce these guarantees directly against the government in a secret international court - it used a similar treaty to file a case against Uruguay in 2010. The rules on ‘distribution services’ could also stop a government from restricting or banning sales of a tobacco product.

Where are the risks for ACC?

NZ’s publicly owned no-fault accident compensation scheme is a political football: National partially privatised ACC in 1999; Labour reversed that in 2000; and National is opening the workers’ account to private competition again (a weasel word for privatisation). There are huge risks in privatisation - ‘cream skimming’ that leaves the state provider covering the unprofitable risks; insurers becoming insolvent; further cut backs in coverage and entitlements, and insurers refusing claims on technicalities, as they commonly do in the US, condemning injured workers and their families to poverty. Remember it is employers who will choose which insurer they use, not the workers who suffer the injuries.

Could a TPPA stop the government from taking back control if privatisation fails?

The financial services and investment chapters a TPPA could prevent another nationalisation of ACC. US firm AIG, which has the largest share of the world market (and received a \$180 billion bailout), will expect the US negotiators to secure guaranteed access to the ACC ‘market’ and the right to sue for mega-compensation if there is another reversal.

Surely there are exceptions that allow governments to put public health first?

There are some exceptions, but they are subject to negotiation. Governments have to invoke them as a defence once a dispute has arisen and the protection they provide is limited and highly contestable. The mere threat of a dispute can force governments to retreat.

Why on earth would our government even consider a TPPA?

Partly because it is looking for trade-offs in the (vain) hope of getting access for more dairy products into the US; partly because it remains an evangelist for privatisation and letting ‘markets’ (corporations) rule; and partly because there is not yet enough pressure to make this kind of deal too politically risky in an election year.

Who is speaking out about this?

The Director of the Public Health Association of New Zealand has voiced its concern:

Health starts, long before illness, in our homes, schools and jobs. Laws - such as food quality, smokefree laws, alcohol control - are our decisions on how to keep our neighbourhoods and homes safer. We should not be told what to do by other countries in a TPPA, just as we should not be letting smaller Pacific states be bullied into bad laws that make bad health, either.

But we have yet to hear from other health professionals. The Greens oppose the TPPA; Labour has said it will protect Pharmac; National is ambivalent; and Maori Party is silent.

What about you? To support the campaign against the TPPA see www.TPPWatch.org and www.nznotforsale.org. For more information also see www.TPPdigest.org and read *No Ordinary Deal*, ed. Jane Kelsey, from good bookshops or your library.