Australia-US FTA threatens blood supply

The safety of Australia's blood supply could be at risk under the free trade agreement with the United States according to ANU research published today in the Medical Journal of Australia.

As part of the Australia-U.S. Free Trade Agreement (AUSFTA), the Australian government agreed to recommend to the States and Territories that Australia's plasma fractionation arrangements be opened up to overseas tender. The ANU researchers who wrote the paper-Dr Hilary Bambrick, Dr Thomas Faunce and Kellie Johnston- argue that such a move could have far reaching consequences.

Currently, all plasma donated in Australia (through the Australia Red Cross Blood Service) is processed on-shore, and the majority of plasma-derived products used in Australia come from these donations. But the authors warn that transporting plasma over longer distances and via more complex production pathways would provide more opportunities for error and loss, while increased economic competition could lead to inappropriate cost-cutting in manufacture. They say that Australia's ability to effectively monitor manufacturing could be diminished.

The authors also warn that such a move could also lead to a decline in Australia's regulatory standards as products become subject to international trade dispute rulings.

"Australia has been forced to compromise on quarantine in the past, and similar pressures could be applied to blood products once trade is open up" said Dr Hilary Bambrick, lead author of the paper and Research Fellow at the National Centre for Epidemiology and Population Health at ANU.

"You can have all the regulatory requirements that you like, but with a more open market we could see the eventual erosion of Australia's blood safety standards," she said.

The authors of the paper are also concerned about Australia's future capacity for fractionation – and its implications for self-sufficiency – if the fractionation contract were to go to an overseas manufacturer.

"Once Australia's capacity to manufacture plasma products is lost, you can't just start it up again", said co-author Dr Thomas Faunce, a senior lecturer in law and medicine at the University.

"Maintaining this capacity in Australia is essential in today's uncertain security environment."

Dr Faunce is also concerned that a clause in the free trade agreement would enable the US to claim that the "spirit" of the agreement had been broken if Australia decides against opening up plasma fractionation to overseas tender.

"Although such a claim may not be upheld under international law, it may be used by industry to apply pressure in the event of a trade dispute" he said.

Co-author Kellie Johnston, A Research Associate at the ANU College of Law, says that moving plasma fractionation off-shore could also affect products in other countries.

She warned that New Zealand may be forced into "piggy-backing" with new Australian arrangements because of the recent agreement to establish the joint Australia New Zealand Therapeutic Products Authority (ANZTPA), a single body that will regulate blood products in both countries.

"The two countries could be treated as a single source of plasma and a single market in buying back blood products", she said.

The Review into Australia's Plasma Fractionation Arrangements is due to report in January next year.

"If the Review finds in favour of putting plasma processing out to overseas tender, it will be up to the States and Territories to think hard about whether such a move is in the national interest", said Dr Bambrick.

"Under the National Blood Agreement, they have power of veto on this decision. Australia needs to examine the long term public health implications very closely before moving in this direction."

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