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Submission to the Australian Department of Foreign Affairs and Trade on a future UK-Australia Free Trade Agreement

August 2020

Trisco Foods is a small to medium enterprise (SME). We have a demonstrated commitment to developing and commercializing innovative Medical Devices and Foods for Special Medical Purposes (FSMP's) for people with dysphagia (swallowing disorder) and those requiring nutrition support for general wellbeing and/or to speed recovery of slow healing pressure injuries. While these conditions touch individuals across their life span, they are most insidious at end of life, with the vulnerable elderly being frequently affected. Our products have revolutionized the way health and aged care facilities manage these conditions and have shown dramatic improvement in quality of life factors (QoL) for both carers and patients. We are committed making these products accessible to as many people around the globe as possible. On all sides of our business our mission is making people's lives better.

Headquartered in Brisbane Australia, Trisco Foods is a family owned business who have proudly been manufacturing food and beverage products in Australia since 1875. Trisco have a workforce of nearly 100 employees across its combined global operations in Australia and the United States. In 2019, 47% of group revenue was in exports from our Australian manufacturing facility with substantial reinvestment into research and development and new process capability supporting future growth and expansion. In addition, over the 2015-2019 period, Trisco Foods imported over \$AUD 11 million worth of raw materials from the European Union (EU) into Australia, of which a significant proportion (66%) was imported from entities based in the United Kingdom (UK).

With English as a common language, and similar cultural values and business principles to facilitate the development of positive relationships with in-country partners, Trisco Foods supports a stronger trading relationship between Australia and the UK. Both Australia and the UK are global leaders in health innovation with significant ageing populations and GDP to support investment. Thus, one area of opportunity in the bilateral trade relationship of specific interest to Trisco Foods is in products and services into aged care.

Advanced economies such as Australia and the UK depend on knowledge and technology intensive sectors such as health for continued economic growth and prosperity. Free trade plays an integral role in harnessing this knowledge-based economy and is especially important in facilitating innovative SME's such as Trisco Foods to actively participate in this knowledge economy.

Our submission to the Australian Department of Foreign Affairs and Trade (DFAT) public consultation process on a future Australia-UK FTA addresses Trisco Foods unique priorities as a SME in the life sciences sector. It is given without prejudice to future discussions and submissions. Below are our priorities for a future Australia-UK FTA.

1. Tariff liberalization

Trisco Foods recommends that, to the maximum extent practically possible, the Australian and UK Governments reduce (preferably to zero) tariffs being applied to all products produced by the life science sector not covered by the WTO Pharmaceutical Tariff Elimination Agreement. In the example of Trisco Foods this would include:

- Finished form borderline substances
- Foods for special medical purposes
- Revolutionary technologies for dysphagia diagnosis (medical devices)

Our portfolio consists of therapeutic products which directly support hydration and nutrition and therefore directly support wellness and prevention of common disease comorbidities such as dehydration, malnutrition, and pneumonia. Therefore, it is in the best interest of all stakeholders, government, healthcare providers and patients to have a comprehensive reduction, preferably a tariff exemption, for all products classified under 2106 90 98 55 of the Harmonized System of Tariff Nomenclature, as these tariffs can add 9% in additional duties to the cost of final product.

2. Creating a competitive Research and Development (R&D) Environment and framework for regulatory harmonization/cohesion

To increase investment in R&D intensive industries such as healthcare and subsequent trade it is critical that the lowest possible number of barriers exist, particularly in relation to clinical trials. Lack of harmonization in the policies, procedures, regulation, and approval of therapeutic and borderline substances between the UK and Australia is a significant non-tariff barrier for all enterprises but is a particular burden for SME's.

In the UK, the Advisory Committee on Borderline Substances (ACBS) is responsible for advising on the prescribing of nutritional FSMPs and dermatological products for

use in NHS primary care. Currently, inclusion by the ACBS on the UK Drug Tariff requires sponsors to make an application to the ACBS. Inherent in this application is the need for clinical trial data to have been acquired, without exception, within the UK.

To rectify this Trisco Foods recommends any future FTA considers areas where bureaucratic red tape can be reduced, enabling acceleration of access to markets for SME's through alignment of processes. In the example of our FSMPs, a borderline substance with extensive existing clinical safety, adverse event (AEs) and efficacy data in conjunction with a long established history of clinical use in target patient populations could be exempted from the ACBS requirement to obtain duplicate clinical data within the UK. Given the commonalities of our respective public health systems, Australia and the UK are well positioned to remove redundancies such as this without compromising patient safety.

3. Investment

It is critical that any future free trade agreement ensure a level playing field for foreign and domestic companies. In FTAs, and with respect to life science products, this would entail removing discriminatory policies that result in an uneven playing field and bias markets and procurement towards domestic producers, rather than foreign trading partners. Local manufacturers and/or industry bodies should not be able to exert undue influence on regulatory and approval processes such as public consultation. These often influence the outcome come at the expense of innovation and to the detriment off all stakeholders particularly the patient.

4. Social issues

Trisco Foods believes you can tell a lot about a society by how it treats its most vulnerable. We believe that in advanced economies such as the UK and Australia, improving social policies is critical for improving the welfare of vulnerable populations such as those using our products. There is significant psychological and social impact associated with disorders such as dysphagia and frailty, with negative consequences for individuals' psychological well-being and quality of life. QoL studies which measure eating in dysphasic nursing home residents found that the vast majority (84%) said eating should be enjoyable, but only a minority (45%) expressed that it was. Many patients experience anxiety and panic during eating, and a third avoid eating with other people altogether because of the disorder, leading to increased social isolation.

Many of the complications of disorders such as dysphagia have great impact on national health budgets and patient QoL because they induce frailty, institutionalization, comorbidities, decreased functionality, increase readmissions, and

increased length of hospitalization. Fortunately, many of these can be overcome using innovative products such as our liquid thickener concentrate.

We believe that improved social policies and standards are critical to the competitive landscape. The future Australia-UK FTA could be forward focused and address the above issues by incentivizing investment (e.g favorable trading terms). This will nurture the future ecosystem of innovation in the life sciences, especially those with demonstrable positive effects on social issues such as QoL.

Conclusion

The reduction (preferably elimination) of trade barriers is to the benefit of all stakeholder's including government, healthcare and patients. Without reductions, patients who are often amongst societies most vulnerable may not have access to our unique, innovative and life enhancing therapeutic products.

Trisco Foods looks forward to engaging further with the Australian Government as it develops its future FTA with the UK, to ensure our mission of making people's lives better. We want to establish this by increasing availability and access of our health innovations not only in the UK but for patients globally.

