

**Submission to the
Agriculture and Food Policy Reference Group
on
*'Ensuring a competitive and sustainable agriculture and
Food Sector in Australia'***

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1. EXECUTIVE SUMMARY

Avcare, the peak body for crop production and animal health in Australia is pleased to put forward the following position to the Agricultural and Food Policy Reference Group:

- In order for Australian agriculture to remain competitive and sustainable, major alignments to global trends will be necessary in the areas of innovation and technology adoption.
- Australia needs to become more attractive to international commercial innovation and research, which currently is hampered by a policy framework favouring input cost minimisation and ease of market entry. Australia will never secure a robust and sustainable position by saving on input costs, as low labour cost countries will always outperform. Policy focus must be on value adding through innovation and adoption of new technologies.
- There is need for a long-term national R&D agenda, underpinned by more 'open innovation' models that attract broader collaboration and higher risk venture capital. Australia would be well served by adjusting to the 21st Century type of innovation, which is faster, collaborative, multi-disciplinary, demand-driven and global. The national R&D policy framework must adjust to this trend.
- The current moratoria on cultivating licensed GM food crops such as canola must be removed to allow Australian farmers choice, and a chance to remain globally competitive. Australia still has the opportunity to be part of the leaders, not laggards, in terms of new technology adoption. The current Review of the operations of the *Gene Technology Act 2000* and the Intergovernmental Agreement on Gene Technology should remove the power of State/Territory Governments to block the cultivation of licensed GM crops.
- Further recommended amendments to the *Gene Technology Act 2000* are detailed in Avcare's submission on the review of the operations of the Act¹. Adoption of these recommended improvements will ensure increased confidence in science based regulatory decisions and boost Australia's R&D investment attractiveness.
- Harmonisation of Maximum Residue Levels (MRLs) for chemicals in several food commodities would greatly assist Australian food producers in accessing new global markets. To achieve this, domestic MRLs should be based on Codex standards and the current discrepancy in the MRL setting process between the Australian Pesticides and Veterinary Medicines Authority and Food Standards Australia New Zealand must be rectified to become seamless.
- Australian agriculture is a net environmental resource consumer requiring fundamental shifts in how food is produced through cautiously improving Good Agricultural Practices. Public education on the role of agriculture and the true costs of environmentally acceptable food production needs to be given priority.

Avcare would be pleased to provide any additional information as required by the Reference Group.

¹ Avcare's recommendations to this Review are at **Attachment 1**. A full copy of the submission can be downloaded at http://www.avcare.org.au/default.asp?V_DOC_ID=1540.

2. INTRODUCTION

Avcare is the peak body for the crop production and animal health industry. The industry contributes significantly to Australia's agricultural markets by providing essential inputs for efficient and sustainable production of high quality food and fibre products.

Avcare members include global manufacturers, local formulators and distributors of agricultural and veterinary chemicals, as well as providers of crop biotechnology products. A list of Avcare's present members is at **Attachment 2**, the majority of whom are strongly committed to R&D.

In order to minimise risks associated with industry products, Avcare has initiated a number of voluntary and co-regulatory programs that demonstrate industry stewardship and a commitment to product life cycle management. Participation in Agsafe, *drumMUSTER* and ChemClear is mandatory for all Avcare members.

3. THIS SUBMISSION

Avcare is pleased to respond to the Agricultural and Food Policy Reference Group's invitation to provide stakeholder views on ensuring a competitive and sustainable agricultural and food sector in Australia.

This submission only responds to those questions in the Issues Paper deemed relevant to the crop production and animal health industry.

PART B : MARKETS FOR AGRICULTURE AND FOOD

Point 3: International markets
Multilateral trade negotiations
Bilateral trading agreements

Are there particular impediments to improving the agriculture and food sector's trade performance and opportunities?

- Better management of the Maximum Residue Limits (MRLs) setting process is essential. In our submission to the Food Standards Australia New Zealand (FSANZ) Review, Avcare recommends that there be different application streams that recognise the differing requirements of application outcomes. In addition, there needs to be recognition that the setting of food standards can also involve co-regulation with involvement of other regulators such as the Agricultural Pesticides and Veterinary Medicines Authority (APVMA), New Zealand Food Safety Authority and the Therapeutic Goods Administration.
- A process for dealing with all types of FSANZ applications is identified in the submission. Under such a process, a delegate provision would be required in FSANZ legislation in relation to sign off on application decisions where applicable policy standards already exist. This delegation for signoff on behalf of the Ministerial Council would be to the FSANZ Board or the Executive Director of FSANZ, as appropriate for the type of application.
- The current GM Moratoria have resulted in no clear pathway to market and hence have reduced the investment in agbiotechnology in Australia. Refer Item 7 (Research, Development, Innovation and Technology – Biotechnology) 8-9- for details.
- There is a lack of accurate data on the drivers behind consumer purchasing decisions, both nationally and internationally, and on long-term consumer behaviour trends. Such detail is vital for better management decisions.

How can Australia play a more effective role in encouraging multilateral trade reform?

Australia needs to:

- Constantly scrutinise its Intellectual Property Rights/Trade Related Intellectual Property Rights management; and
- Take the lead in setting domestic MRLs based on Codex standards.

Point 4 : Domestic Markets

What significant changes in domestic and export markets, with respect to labelling and product traceability, are likely? Are the systems currently in place or under development likely to be sufficiently responsive to future consumer requirements for quality assurance, audit and product information? Should industry responses to such demands be left to businesses (individually or collectively) or is there a role for government here?

- Government has a clear role for setting domestic legislative labelling requirements, based on a balanced approach between product information and use/consumption advice.
- Labelling should be based on a risk assessment, not hazard assessment approach and in this regard, the Government must legislate Global Harmonisation Systems accordingly.
- Product traceability systems must be market driven and where necessary, underpinned by government regulations. Such intervention should be focussed on either new or niche technologies that attract market attention, for example, the “Close Production System” to produce Hormone Growth Promotant free beef/offal for the EU market.
- The Western Australian Government’s intended country-of-origin labelling regimes for all fresh produce imports needs close scrutiny.

How can food safety, labelling and other consumer requirements best be achieved in ways that minimise the need for regulation, encourage investment in the sector, and allow maximum flexibility and innovation in product manufacture and marketing?

- Consumer requirements are constantly changing and as a result, any food safety standard must be based on sound science and not on the precautionary principle.
- Innovation will be enhanced if legislation and regulations do not include strict liability conditions and exclude any ethical and social values that cannot be measured. Refer Item 7 (Research, Development, Innovation and Technology – Biotechnology) Pages 8-9 for details.

What is the appropriate role for government in resolving the above issues and in relation to the efficient operation of the manufacturing, distribution and retail parts of the food supply chain?

Government should:

- Monitor public perception on food safety regulation;
- Explain how the regulations work and the roles of each stakeholder in the food supply chain to ensure food integrity; and
- Recognise and encourage industry stewardship in relation to food chain traceability, labelling, identity and other such issues.

PART C : COMPETITIVENESS OF AUSTRALIAN AGRICULTURE AND FOOD BUSINESSES

Item 5: Supply Chains

*Efficient supply chains are important for competitiveness
Balancing market power*

Are additional policy or regulatory actions needed to encourage strong competition in the supply chain? Is enough being done to minimise barriers to entry and to ensure that market power, especially of retailers, is not abused?

- Minimising barriers is not the answer, which is a continuing problem of Australian agriculture. The idea that the agricultural industry can effectively shun technology in pursuit of low cost agriculture is not a sustainable position. To pursue that particular strategy would leave Australia exposed to lower cost countries and cyclic commodity prices.
- Healthy competition is encouraged, but not at the expense of product quality.

What actions, if any, should government and industry be taking to encourage improved supply chain linkages and management — including greater transparency in pricing and better information flows that benefit all participants from the farmer to the consumer?

- Bar coding of agvet chemicals as a tool to create a 'use' database that generates better information on Good Agricultural Practice (linked to 'secondary standards' such as EurepGAP).
- Government's role to improve supply chain linkages should be underpinned by market trend analysis and market access support. Industry has to be responsible for efficient and cost-effective supply chain management.
- Better consumer behaviour information will assist with the transformation from supply to demand chain management (fork to farm).

Point 6: Education, Skills and Labour Supply

How can immigration policy (including working visa arrangements), education and training and industrial relations systems be improved to address labour supply issues for the sector? What changes, if any, would assist export competitiveness?

- Once a core competency analysis has been made for the agricultural sector, gaps in skill resources can be identified and addressed. A more flexible immigration policy for skilled labour needs to be subject to an appropriate validation/accreditation process.

What management skills are most important to farm and food business performance? Once identified, how are they best integrated into education and training policies?

- Skill deficiencies at farm level:
 - How to negotiate effectively with commodity/food traders; and
 - How to manage community issues and deal with attacks from Non-Government Organisations (NGOs).
- Cultural deficiencies : Dominating preference for cheap -vs- value adding farm inputs.
- Affordable and mandatory training for chemical users to meet Good Agricultural Practice requirements.

Are there industry, community and government initiatives that would be particularly cost effective in attracting skilled labour into the agriculture and food sector in rural areas?

- The gap between agriculture and restaurants/home dining room must be reduced, so that metropolitan consumers start to respect and care for rural Australia. In this regard, governments at all levels, together with the National Farmers' Federation, have a key awareness building role to play.
- Schools need to do more to positively reflect agriculture as a legitimate career choice.
- Universities should be encouraged to offer more specialised courses in demand/supply chain management (fork to farm), focussing on amongst other issues, food safety and risk management.
- Consideration should be given to rural bonded scholarships/places in agricultural and environmental sciences within universities similar to those offered to attract pharmacists and doctors to rural areas.

Point 7: Research, Development, Innovation and Technology

Funding research and development

*Is there a need for a consistent national research and development agenda? How should this agenda be integrated with industry specific research programs with clear definitions of roles and responsibilities? **and***

Does Australia need to widen the scope for agricultural research and development to place greater emphasis on issues such as food safety, value chains, natural resource management, biosecurity and capacity building?

- Innovation is more than just new technology. Innovation in the 21st Century is faster, collaborative, multi-disciplinary, demand-driven and global. It will therefore not be enough, even counter productive, to simply intensify current stimuli, policies and management strategies, and make incremental improvements to organisational structures and curricula.
- Modern innovation is based on knowledge created by interaction. Innovation comes from creative conversation and is a mass activity. Users are part of the productive resource that provides demand-driven research and development.

Funding research and development (cont.)

- There is therefore a need for a national R&D agenda that is not only strategic but adaptive to new trends. The use of more 'open innovation' models, based on a collaborative approach between private and/or public partners, will help to ensure better focus and integration.
- A national agenda needs to be driven by leaders and the top minds on innovation. The American Council on Competitiveness and its National Innovation Initiative may well serve as an example.
- Australian agriculture must embrace and encourage the adoption of new technologies and research in order to develop products and techniques that are attractive to the international markets. Australia will never carve out a sustainable position by saving on input costs, as low labour cost countries will always outperform. The current cost minimisation policy and its lack of true Intellectual Property Rights, together with inconsistent and punitive implementation of standards, will continue to discourage international commercial research in Australia.
- Market research on consumer trends is lacking and under-resourced. Better information will help set R&D priorities based on a 'fork to farm' approach, and not the reverse.
- Strategic extension of the R&D, mainly in the biosecurity area, will be necessary.

Are the evaluation systems currently in place for assessing returns to research and development adequate and appropriate? How can these be improved to ensure better value for money invested?

- Public spending on R&D is too widely distributed, which makes concise and reliable evaluation difficult.
- Current evaluation systems for publicly funded research are both cumbersome and distracting.
- A shift from the European system (paralysis through analysis) to the USA system (support the person's idea) needs to be debated. This will require critical review of all current models for innovation, R&D and market access/commercialisation

What is the optimal model for the structure of research and development corporations and companies? How can research and development provision be made more responsive and relevant to industry? What opportunities exist for rationalising Australia's research and development infrastructure?

- Any national agenda should be based on three platforms:
 - Talent: aim to bring together Australia's top minds in innovation and catalyse the next generation of innovators.
 - Investment: aim to revitalise multi-disciplinary research and reinforce risk-taking and long-term investments.
 - Infrastructure: create a 21st Century Intellectual Property Regime and build the infrastructure for more 'open innovation'.
- Australia's capability to turn good technology research outcomes into commercial reality is still lacking. Amongst others, cautious attitudes by venture capitalists has hindered turning ideas into money. Seed funding programs by State and Federal Governments are critically important to get from the ideas stage to the hatching stage, at which time it should attract venture capital.

Funding research and development (cont.)

- Another strategy is to train up or place smart business development managers into publicly funded research and development entities in order to find earlier links between ideas and markets. Universities should also review whether sufficient course offers are made in the area of managing technology start-ups. The USA, Switzerland and Sweden are the global benchmarks in this area.
- Australia would benefit from more open models of innovation, based on multiplying sources of ideas through cross functional teams and outsourcing. The international Banana Action Plan is an example of multi-stakeholder collaboration involving over 17 parties to fight the black Sigatoka disease.
- There continues to be a need for balance between government sponsored research and the support for commercial research. At present, commercial research is being undermined by the lack of encouragement in this area.
- Tax incentives that allow for R&D research, both based in Australia and developed in partnership with overseas organisations, must be increased. Perhaps these should be linked to success, for example market access and adoption rate.

Technology Adoption

Is there sufficient understanding of the drivers of adoption and how can this be improved? How important is technology adoption to the variation in productivity growth between and within agricultural industries?

- No there is not sufficient understanding. If there was, there would be more impetus to embrace and encourage international technology. In this regard, GM canola is a good case study.
- The unfettered influence of NGOs in the debate for introduction and adoption of new technologies has stifled development. It is recommended that all major consultation processes are reviewed to ensure that the views of the majority, not the ideological minority, is reflected in policy.
- Technology adoption is critical to productivity improvements and international competitiveness. Producers must be offered the choice to adopt best practices based on new technologies.

What are the tradeoffs in determining an optimal balance between the privatisation of the benefits from research and maximising its uptake by making results freely available?

- This largely depends on what the benefits are. If there are clear commercial benefits to growers and/or consumers, then privatisation of benefits ensures adequate returns on investments. If the benefits are more esoteric, then in some cases it would be reasonable for the products to be provided by communities and governments.
- The adoption of more 'open innovation' models will provide more transparency and 3rd party access because of the collaborative nature of the research. However, the trade off will to some extent be Intellectual Property Rights (as is the case with the current Corporate Research Centre model).

Biotechnology

What actions need to be taken to address both producer and community concerns about GM products? Can Australia expect to keep GM foods out of the supply chain if other countries are accepting of these products? Would it be feasible to have GM and non-GM supply chains concurrently?

- Australia's regulatory system for genetically modified organisms is one of the most rigorous in the world. Avcare supports a regulatory system that is focused on the protection of health and safety of people and of the environment through a science-based risk assessment and risk management approach.
- The Federal Government should play a leadership role to ensure that the Gene Technology Act delivers a national regulatory system for the protection of human health and safety and the environment.
- The Federal Government should also ensure that there is a streamlined and certain pathway for licensed GM crops to the market place. The current moratoria must be lifted and the powers of State/Territory Governments to implement such action removed.
- All market access studies completed in Australia conclude that Australia's main grain trading partners accept GM crops from Australia's major competitors. These same studies have found that there is at best niche markets for non-GM grains and that price premiums are not being paid.
- The agricultural supply chains need to increase their advocacy activities with all levels of Government and the media to explain the current segregation that occurs in Australian agriculture to meet a wide variety of market specifications and demands. There is no reason to suggest that supply chains will not be able to segregate GM.
- The majority of Australia's major trading partners have official tolerances generally between 0.9% and 5%². The Australia, the Australia New Zealand Food Standards Code requires that foods, other than those highly refined, allow an adventitious presence level of 1.0% GM material before GM labeling is required.³ The Seed Industry Association of Australia has established a 0.5% tolerance of GM canola in non-GM canola and the Australian Oilseeds Federation 0.9%.
- If there is a demonstrable demand for non-GM crops the market will set thresholds and introduce segregation systems in line with the price that the consumer is willing to pay for this segregated product. There is no need for Government interference in the process. The current State/Territory Government interference has not provided opportunities for Australian farmers, but instead has limited their options and may impact the long term investment attractiveness of Australia for research and development.
- Dealings with GM organisms require a licence from the Office of the Gene Technology Regulator (OGTR). An OGTR licence establishes a set of general and special conditions for trials and may set conditions for commercial release. Breaches of these conditions can be prosecuted under the Gene Technology Act 2000.

² Laffan, J, 2004. Subsistence to Supermarket II: Agrifood Globalisation and Asia Vol III : Asian Agrifood Demand Trends and Outlook to 2010. Department of Foreign Affairs and Trade, Canberra 2004.

³ Refer <http://www.foodstandards.gov.au/whatsinfo/gmfoods/complianceguidea18gm.cfm>

- Those groups opposed to the introduction of additional GM crops to Australia imply that there are no penalties for either introducing unlicensed GMOs or breaching licence conditions. They also imply that technology developers don't have any ongoing responsibilities for the safety of their products. These suggestions are false and the proposals to introduce strict liability along the supply chain for licensed GM crops is without merit.
- Experience since GM crops first became available is that they have been commercially approved specifically to be part of the commodity system. Their mere presence in commodity streams does not, in and of itself, represent any harm. Whether such presence triggers positive or negative market reactions, and whether such preferences impact prices, falls in the business risk realm and mechanisms are in place and have been accepted by Australian Governments to manage and deal with these risks.
- (Dalton et al 2003) examined the legal aspects of GM crop cultivation in Australia and concluded that Australian governments rejected the call for new or special legal regimes because there is adequate redress under common law for those who might be adversely affected.
- The Gene Technology Regulator is encouraged to increase their risk communication activities and explain the regulatory system in Australia on a continuous basis to increase public confidence in such. Australia should be aiming for a level of credibility and recognition of the Gene Technology Regulator afforded to the United States Food and Drug Administration.
- Biotechnology Australia and the Department of Agriculture, Fisheries and Forestry need to take a more proactive role engaging on issues, addressing community concerns and providing reassurance about the safety of licensed biotechnology products. These products undergo extensive safety testing and regulatory review. For more than a decade, regulatory oversight has successfully ensured that products are at least as safe for human health and the environment as their conventional counterparts.

Point 8: Infrastructure in the agriculture and food sector

What criteria should government use in identifying priorities for investment in infrastructure critical to the future of the agriculture and food sector?

- The main criteria should be whether the investment is essential in terms of maintaining or enhancing Australia's competitiveness in global markets, and whether the investment will be affordable and deliver an adequate return on investment.

Water

How can the need to replace or refurbish major water infrastructure best be managed? Is there a role for governments?

- Public/Private partnerships should be examined.

Will existing water resources be sufficient to meet future water needs? Or will further water sources need to be identified?

- Based on existing resources and supply structure, less water will be available for agricultural use. Irrigation crops such as rice and cotton will need to survive on true market priced water.
- Towns in marginal areas are most critical:
 - all avenues should be explored (new dams, recycling, piping, desalination);
 - quality of water should be segregated. All factories and new housing should use 'grey water'; and
 - Irrigation water should be separated from potable and grey water and managed separately.

Will the development of more efficient and effective market instruments for water allocation overcome most of the supply problems likely to emerge?

- Linkages between water conservation, new technologies and no-till agriculture will become increasingly important.
- Allow private providers to emerge and compete.
- Allow pricing to fluctuate by supply/demand.

Point 9: Biosecurity and Quarantine

Are there opportunities for Australia to improve its risk management approach to quarantine? What further investments are needed and how should these be funded?

- There is a need for a commitment to adherence to standards. Proactive rather than just reactive monitoring is required against these standards. A comprehensive surveillance and monitoring program must be maintained and tested at regular intervals. Resources for updating, as required, need to be negotiated between Government and the respective industries. Animal Health Australia and Plant Health Australia are good examples of how this can work.

What actions are required to improve food safety and security for Australian agriculture and food industries — including improvements and extensions to current systems such as trace back?

In addition to the above response, the Government needs to consider:

- The implementation of a National Livestock Identification System within primary industry as soon as possible. Education of the industry needs to focus on the cost of implementation being the cost of doing business in today's environment, as well as an investment for food security in the future;
- A more rigorous regulatory system to provide broader enforcement resources to the APVMA to police the quality of agchemicals;
- The establishment of a cost-effective agvet chemical use database; and
- Greater use of distribution chain to monitor hazardous inputs into food production.

PART D : USING AND MANAGING NATURAL RESOURCES

Point 10: Natural Resource Management

Climate variability and change

What policy and industry measures would best equip the agriculture and food sector to adapt to longer term climate change?

- Retail chains and consumers are increasingly demanding proof of Good Agricultural Practice in growing food. Australian farmers are meeting these needs in a variety of ways and through this, increasing the sustainable use of land and other resources. For Australia to remain competitive there must be ongoing research and development, with a clear path to commercialisation, of new crop varieties that can grow in new climatic zones or under changed weather conditions.

PART E : RURAL AND REGIONAL COMMUNITIES

Point 11: Rural Businesses and Communities

Changing nature of farming

Implications of change for rural communities

What are the broader implications of change? How can the effects of change on rural communities and businesses best be managed?

- Australian agriculture is a net environmental resource consumer. Issues such as water quality/availability, soil degradation, salinity and green house gas emissions will focus public attention on agricultural practices and the overall (environmental) costs of Australian primary industries.
- As the Australian community's attitude moves to demanding that farmers become custodians of land and water resources, a balance needs to be found between the true cost of agricultural production and how this cost will be funded.
- Public education on the future role of agriculture in food production and environmental management needs to be given priority. Future career opportunities in agriculture need to emphasis this fundamental shift.

ATTACHMENT 1

AVCARE'S RECOMMENDATIONS TO THE REVIEW OF THE OPERATIONS OF THE GENE TECHNOLOGY ACT 2000

AVCARE RECOMMENDS the following to improve the effectiveness, efficiency, fairness, timeliness and accessibility of the regulatory system.

TOR 1:

- 1.1. The Scope of the Act not be expanded.
- 1.2. The Federal Government play a leadership role to ensure that the Act delivers a national regulatory system for the protection of human health and safety and the environment.
- 1.3. There is a streamlined and certain pathway for licensed GMOs to the market place.
- 1.4. The existing liability provisions included in the Act not be expanded.
- 1.5. The existing definitions not be altered.
- 1.6. Maintenance of the current event based regulatory system.
- 1.7. the Act be amended to include a new definition for adventitious presence -

A suggested definition is "*the intermittent and low level presence in crops, food, feed or seed of genetically modified plant material.*"

- 1.8. The following new definitions be included in Regulations:
 - **Combined trait plant biotechnology products** are those containing more than one biotechnology-derived trait, such as one for insect control and another for herbicide tolerance, or two different insect control traits.
 - **Stacked plant biotechnology products** are identical to combined trait plant biotechnology products.
 - **line⁴** means –
 - (a) a plant, the genetic material of which includes a transformation event or events; or
 - (b) any plant, descended from the plant referred to in paragraph (a), that is the result of conventional breeding of that plant with:
 - (i) any other plant that does not contain a transformation event or events; or
 - (ii) any other plant that contains a transformation event or events, whether expressed as a line or event, that is listed in Column 1 of the Table to Clause 2 of the Food Standards Australia New Zealand (FSANZ) Standard 1.5.2 but shall not be taken to mean any plant derived solely as a result of conventional breeding

TOR 2:

- 2.1. The object of the Act (Section 3) remains unchanged.
- 2.2. Section 4(aa) remains unchanged and not be expanded given the interpretation and current application of this Section by the OGTR within a risk assessment framework focused on protecting human health and safety and the environment.
- 2.3. Section 4(a) remains unchanged, however, the Regulator must work to reduce regulatory costs and duplication of administrative procedures.
- 2.4. Section 4(b) be focused on regulatory systems in relation to food, agricultural and veterinary chemicals, industrial chemicals and therapeutic goods and not allow State/Territory Governments to establish additional regulatory schemes for the risk assessment and commercialisation of GMOs (refer also Recommendations 8.1 and 8.2)

⁴ Definition contained within FSANZ Standard 1.5.2

TOR 3:

- 3.1. The current system of a single, independent regulator that reports to Parliament remains in place.
- 3.2. The current structure of the OGTR remains in place, including advisory committees (refer also Recommendations 4.1 and 4.2).
- 3.3. Government funding of the OGTR continues until such time as there is a large number of commercially sustainable products in the market and inefficiencies between Federal regulatory schemes are resolved.
- 3.4. The Regulator increases public understanding of the regulatory system giving public confidence in the process and information around regulatory approvals and decisions.
- 3.5. There be an increase in resources within the OGTR allocated to risk communication.
- 3.6. The OGTR consult OGTR users early in the development of new policies and procedures.
- 3.7. The Act be amended to clarify data protection and confidential commercial information through the implementation of the following operational procedure:
 - a. Applicants identify data that is proprietary (that is, the data is Confidential Commercial Information (CCI) for the purposes of Section 45 only) separately from information/data that is CCI for the purposes of **no** public disclosure under Section 185.
 - b. The OGTR implements a tracking system for submitted information/data that registers the information/data as proprietary to an applicant.
 - c. The OGTR deem data identified as proprietary for the purposes of Section 45 only as '*proprietary CCI*'.
 - d. '*Proprietary CCI*' can be disclosed legally by the Regulator for the purposes of public consultation under Section 187 (2)(d) and (f).
- 3.8. That Section 182 of the Act be amended so that if the Regulator does not make a decision within the statutory timeframe, the application is not deemed to have been rejected. In addition, the Regulator negotiates a new timeframe with the applicant.

Section 182 be amended to read:

If:

- (a) ...
- (b) ...
- (c) *the Regulator can negotiate a revised timeframe for the applicant.*

- 3.9. Transparency of the 'stop-clock' process is increased and processes for starting the clock again are clear.
- 3.10. The OGTR identifies and addresses areas of regulatory duplication.
- 3.11. The Act be amended to distinguish between DIR applications for small scale trials and large scale commercial production.

TOR 4:

- 4.1. The preservation of the present committee structure and terms of reference as outlined in the Act.
- 4.2. Increased transparency of operations and outcomes of these committees through timely public reporting.
- 4.3. An increase in direct and targeted consultation by the OGTR with industry stakeholders relevant to specific applications.
- 4.4. An increase in the use of electronic consultation mechanisms to reduce costs and improve efficiencies.
- 4.5. Changes to consultation processes as a consequence of improved DIR processes (refer also Recommendations 3.10 and 3.11).
- 4.6. The introduction of timeframes for licence variations (refer also Recommendation 7.1).

- 4.7. Amendments to the Act to ensure the Minister for Agriculture can provide specific comment on agricultural biotechnology applications being considered by the OGTR.

Insert new Section 50(3) (f)
The Agriculture Minister

Insert new Section 51(1) (h)
Any advice in relation to the risk assessment provided by the Agriculture Minister in response to a request under subsection 50(3)

Insert new Section 51(2) (h)
Any advice in relation to the risk management plan provided by the Agriculture Minister in response to a request under subsection 50(3).

Insert new Section 52 (3) (f)
The Agriculture Minister

- 4.8. Amendments to the Act to provide for local councils to be consulted as part of the wider public consultation process. Delete reference to local councils in the following Sections - 47(4)(d), 50(3)(e), 51(1)(c) ,51 (2)(c), 52(3)(e).

TOR 5:

- 5.1. Community education by Biotechnology Australia is increased to give the public confidence in common law as an appropriate mechanism to resolve any legal issues with licensed GMOs.
- 5.2. Maintenance of the current enforcement of compliance regime including offences, penalties and liability
- 5.3. The OGTR's Non-compliance Protocol be formalised and/or amend the Act to specifically permit the Regulator to use discretion following secondary risk assessments.
- 5.4. The Act and Regulations be amended to provide mechanisms to address adventitious presence of GMOs not commercially licensed in Australia, but approved/licensed in comparable countries, in seed, grain or other material. The mechanisms will include case by case risk assessments in line with the scope of the Act (refer also Recommendation 1.7).

TOR 6:

- 6.1. Barriers to entry be reduced through increased efficiency of regulatory requirements.
- 6.2. The introduction of a more efficient reporting by licence holders, reducing 'real time' reporting of information with periodic (quarterly or six monthly) reporting.
- 6.3. Identification of opportunities to globally harmonise Australia's regulatory and compliance systems with like minded countries.
- 6.4. Amendment of the Act to facilitate third parties, such as State Departments of Agriculture or CSIRO being able to access and trial new technology.

TOR 7:

- 7.1. That the Regulator initiates discussions with industry to develop and introduce appropriate timeframes for the Regulator to consider licence variations.
- 7.2. Ongoing use of the risk management framework (date).
- 7.3. Continuation of the IBC processes including for notifiable low risk dealings.

TOR 8:

- 8.1. Amendment of the Act to facilitate a national regulatory scheme through the deletion of the following Sections:
 - a. Delete Section 21
 - b. Delete Section 22
 - c. Delete Section 23
 - d. Delete Section 24
- 8.2. Amendment of the Act and other legislation to remove the powers of State/Territory Governments to introduce legislation that limits the cultivation of licensed GM crops.

(Refer also Recommendations 1.2 and 1.3).

TOR 9:

- 9.1. Amendment of the Act to ensure that State/Territory Governments do not have the power to establish state based regulatory schemes for the assessment of risks to human health and safety and the environment or market access.
- 9.2. Application and assessment processes be streamlined so that OGTR does not have to wait for APVMA herbicide approval in herbicide tolerant GM crops

TOR 10:

- 10.1. If issues associated with access to the market for licensed crops can be overcome, the Act with amendments proposed in this submission is flexible enough to accommodate anticipated developments in the industry over the next 5 – 7 years.
- 10.2. Another review of the Act is conducted in 5 – 7 years time.
- 10.3. The Act remains consistent with the aim and current negotiating position of the Australian Government in relation to the Biosafety Protocol

TOR 12:

- 12.1. The Intergovernmental Agreement on Gene Technology be amended in line with the recommendations outlined in this submission.

ATTACHMENT 2

AVCARE MEMBERS (excluding Associates)

CROP PROTECTION	CROP BIOTECHNOLOGY⁵	ANIMAL HEALTH
A & C Chemicals Pty Ltd	Bayer CropScience Pty Ltd	Alpharma Animal Health Pty Ltd
BASF Australia Ltd	Dow AgroSciences Australia Ltd	Ancare Australia Pty Limited
Bayer CropScience Pty Ltd	DuPont (Australia) Ltd	Bayer Australia Ltd (Animal Health)
Becker Underwood Pty Ltd	Monsanto Australia Limited	Boehringer Ingelheim Pty Limited
Caltex Australia Limited		Elanco Animal Health
Crompton Specialties Pty Ltd		Fort Dodge Australia Pty Ltd
Dow AgroSciences Australia Ltd		Intervet Rural Co Pty Ltd
DuPont (Australia) Ltd		Merial Australia Pty Ltd
FMC (Chemicals) Pty Ltd		Novartis Animal Health Australasia Pty Ltd
Janssen-Cilag Pty Ltd		Pfizer Animal Health Pty Ltd
Makhteshim-Agan Australasia		Schering-Plough Animal Health Limited
Monsanto Australia Limited		Virbac (Australia) Pty Limited
Nufarm Limited		
Runge Agrichems Pty Ltd		
Sipcam Pacific Australia Pty Ltd		
Sumitomo Chemical Australia Pty Ltd		
Summit Agro Australia Pty Ltd		
Syngenta Crop Protection Pty Limited		
United Phosphorus Ltd Australia		
DISTRIBUTION	ANCILLARY	
Elders Limited		Autopak-Vetlab Group Pty Ltd
GrainCorp Operations Limited		Cheminova Australia Pty Ltd
IHD Pty Ltd		Greif Australia Pty Limited
Landmark Operations Limited		Orica Australia Limited

⁵ Hold dual membership