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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON PRIMARY INDUSTRIES
AND REGIONAL SERVICES

Reference: Primary producer access to gene technology

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON PRIMARY INDUSTRIES AND REGIONAL SERVICES

Wednesday, 29 September 1999

Members: Fran Bailey (*Chair*), Mr Adams, Mr Andren, Mr Horne, Mr Katter, Mr Lawler, Mr Ian Macfarlane, Mr Leo McLeay, Mr Nairn, Mr Secker, Mr Sidebottom and Mr Cameron Thompson

Supplementary members: Mr Griffin and Dr Washer

Members in attendance: Mr Adams, Mr Andren, Fran Bailey, Mr Ian Macfarlane, Mr Nairn, Mr Secker, Mr Sidebottom, Dr Washer

Terms of reference for the inquiry:

To inquire into and report on the following areas, with particular emphasis on the capacity of small and medium sized enterprises to access the benefits of gene technology:

- . the future value and importance of genetically modified varieties;
- . the ability for producers to compete using traditionally available varieties;
- . the commercialisation and marketing of agricultural and livestock production varieties;
- . the cost to producers of new varieties;
- . other impediments to the utilisation of new varieties by small producers;
- . assistance to small producers to develop new varieties and the protection of the rights of independent breeders, in relation to genetically modified organisms;
- . the appropriateness of current variety protection rights, administrative arrangements and legislation, in relation to genetically modified organisms; and
- . opportunities to educate the community of the benefits of gene technology.

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Committee met at 5.28 p.m.

CHAIR—I declare open this public hearing of the inquiry by the House of Representatives Standing Committee on Primary Industries and Regional Services into primary producer access to gene technology. This is our fifth hearing. I advise the witnesses that the committee's public hearings are recognised as proceedings of the parliament and warrant the same respect that proceedings in the House of Representatives demand. Witnesses are protected by parliamentary privilege in respect of the evidence they give before this committee. Witnesses will not be asked to take an oath or to make an affirmation, however they are reminded that false evidence given to a parliamentary committee may be regarded as contempt of the parliament. The committee prefers that all evidence be given in public. But if at any stage anyone wants to give evidence in private, you may ask to do so and the committee will give consideration to that request.

CRAIK, Dr Wendy, Executive Member, Agrifood Alliance Australia

GAUCHAT, Mr Claude, Executive Member, Agrifood Alliance Australia

PROWSE, Dr Stephen, Executive Officer, Agrifood Alliance Australia

CHAIR—I welcome the representatives of Agrifood Alliance Australia. We have received a submission from you. Would you like to make a brief opening statement to the committee before we begin our questioning?

Dr Craik—Yes. The alliance appreciates the opportunity to appear before the committee. We will be very brief in our opening statement. Agrifood Alliance Australia is an alliance that has been established with farmers, industry and research and development organisations in agriculture who have a shared interest in the application and use of biotechnology in Australian agriculture. Our alliance was launched in May. It is a cooperative venture between the National Farmers Federation; Avcare, the National Association of Crop Production and Animal Health; the Grains Research and Development Corporation; the Seed Industry Association of Australia; the Australian Biotechnology Association; and the Cooperative Research Centres Association.

We are in the process of looking at expanding our membership to a number of other peak bodies and organisations who have interests at the production end of the spectrum in Australian agriculture and biotechnology. We have a very specific goal, and that is to enhance consumer access to quality information on the application of biotechnology in agriculture in order to help achieve a better understanding and acceptance of the benefits and risks by the general public.

CHAIR—Given that your prime reason and your major plank is disseminating, as you have said, quality information, can you tell us how you propose to do this?

Dr Prowse—I can give some information on this issue. We have started by undertaking some survey work, along with a lot of other people in the country. The focus of our survey work has been to try to determine what farmers know both as farmers and consumers. Our initial indications are that there is a need for farmers to receive more information. We want to determine what sort of information those farmers need—is it about technology extensions, applications or agronomic issues? We have asked them how this information can best be delivered. At this stage, we have sent this survey out to 6,000 farmers both in the grains and mixed farming areas. We see this as the first stage of a process of raising farmer awareness about these issues.

We are in the process of generating the information. The information will be in the form of text and diagrams that are directed at a level that farmers can understand. There is a lot of information around, but a lot of it is at a level that is too complex for people who do not have a basic knowledge of the technology to easily understand and easily digest. We are in the process of generating that sort of information and we will be taking our survey results and feeding them back into this process to tailor the information for particular target audiences.

CHAIR—Could I ask you a question about the actual surveys. Are you surveying the 6,000 farmers as primary producers solely or as primary producers and consumers?

Dr Prowse—We are surveying them as both primary producers and consumers. The primary producers are consumers as well. We have asked them questions such as their attitudes to consuming products derived from biotechnology and their attitudes towards producing products derived by biotechnology.

Mr SECKER—Did you survey any other consumers?

Dr Prowse—We have also done some work with some consumer groups in urban areas, yes.

CHAIR—Patrick's point was exactly what I was going to ask you. Ultimately, if your plank is to disseminate quality information, it will have to go to a wider group than just primary producers.

Dr Prowse—Most definitely. There has also been a lot of other survey work done of consumers in urban areas. We do not want to duplicate that work. For example, Biotechnology Australia has done some survey work and is doing a lot more. We do not want to duplicate that.

CHAIR—Are you working with them on this? Do you talk to them?

Dr Prowse—Yes.

Dr Craik—We are in communication with them.

Dr Prowse—We regularly communicate with the staff at Biotechnology Australia, particularly the staff who are working in that area of surveys and public relations.

CHAIR—I interrupted you. I wanted to clarify the base that you are surveying.

Mr SECKER—Where is Biotechnology Australia?

Dr Craik—That is the group that is based in the Department of Industry, Science and Resources that is processing the government's biotechnology strategy. It has put out that document on biotechnology.

Mr Gauchat—It covers all sectors. It is the technology for all of Australia and all the industries.

CHAIR—So at this stage you are getting a base of knowledge from which to work.

Dr Prowse—Yes.

CHAIR—After having got this knowledge and analysing the data, how do you propose getting the information out to consumers?

Dr Prowse—We will be focusing, in large part, on the farm sector. There are two separate groups that we will be looking at—that is, the farmers and the consumers in urban areas, or non-farm consumers. For the farmers, we aim to distribute the information through commodity council journals and state farming organisation magazines. For example, *Groundcover*, the magazine produced by the Grains Research and Development Corporation, has a distribution of about 50,000, which is really quite good. Coupling that with coverage through state farm magazines and other commodity council journals, we think we will get quite good coverage and quite good access to most farmers in the country.

CHAIR—As part of your survey, are you asking people how they prefer to get their information?

Dr Prowse—Yes, that is one of the key questions. We have asked: how do you want to get your information? How we actually distribute that information will depend upon the results of the surveys most definitely.

Mr SIDEBOTTOM—You say you will distribute them to farms; how do you define them? Is it to a household, the designated farmers, the Mr, the Mrs, 10 people, or doesn't it matter? I base that question on the CSIRO data that you mentioned in your submission and the differentiation between males and females in terms of the benefit of the technology. It is said to be of much higher benefit for males than females. When you say you target farmers, how do you determine whom to send it to?

Dr Prowse—In the survey we do ask for them to indicate whether they are male or female so we will have some indication of whether there are differences in those target audiences. It is very important to recognise that, in terms of the running of farms and the keeping of records in the sorts of areas where biotechnology will have an impact, apart from the hands-on out in the field side, the women are very important. It is very important that we target our information to meet that need. They are often both the record keepers and the household runners. As purchasers, they are a very important group. We recognise that and try to recognise and identify their needs and tailor information to meet that requirement.

Mr ANDREN—Are you finding many farmers who are prepared to grow GM crops but who buy bio-organic food?

Dr Prowse—I cannot answer that question.

Mr ANDREN—It could be there, you think.

Dr Craik—We met one the other day who has an organic farm and a non-organic farm and supports the use of biotechnology in a sensible way. He has all his options covered.

Dr Prowse—There are some people who are very pragmatic in that respect and recognise niche markets and try to meet those niches. One thing about this is that choice is very important.

Mr IAN MACFARLANE—There has been a bit of an upheaval in the US in the last six weeks or so with some of the food processors saying that they are not prepared to take

biotech grain. How do you see that unexpected situation impacting on the reaction and the attitude of Australian farmers? I know it is a bit of a hypothetical question, but I would like to get a feel from you on that. You have two issues. You have bioresistance, which scares the hell out of farmers at the best of times, plus this uncertainty about biotech. I was surprised to see the level of it in the farming fraternity.

Dr Craik—I think what it does is add to the uncertainty in the farm sector. The survey in the Rural Press, which I am sure you have seen—

Mr IAN MACFARLANE—I did not actually.

Dr Craik—It came out in the *Land* last week.

Mr IAN MACFARLANE—I do not read the *Land*.

Dr Craik—I cannot imagine how you miss out. Rural Press did a phone survey of 800 farmers nationally and it basically showed a very high level of caution and uncertainty about information. There was an issue that costs would outweigh the benefits financially of GM products. In Australia, I do not think there is relevant information other than what the cotton farmers have and the cotton farmers are still planting Ingard. I am sure they do not do it to lose money. The results of this survey, which you are welcome to have, are quite interesting. This adds to the uncertainty; without the real information and Australian situations that farmers can relate to, I think it will increase.

Mr IAN MACFARLANE—I am not sure whether this is in order. Can you slip on your other hat for a moment? You are a member of the Agrifood Alliance so that probably keeps the question in order. What are the industry organisations and grower organisations doing to counter some of the misunderstanding amongst farmers about issues such as cost?

Dr Craik—One of the things the NFF has done is become part of this alliance so that we have greater horsepower to get more information out than NFF has under its own steam. Not only are the resources greater but the alliance means the information will spread more widely. It also comes up on the agenda at almost every meeting. We discuss it when any of us give a speech and in press releases. The main target for information is the alliance.

CHAIR—This is what worries me. That is why I asked the question—and Wendy you have heard me ask this question in other forums on many occasions—about how the information is disseminated and the uptake of the information. We know from other committee inquiries that farmers do not get the information in a form which they find easy to use or perhaps that they even have the time to use. It is certainly not getting through to them in a form that is easy for them to use.

Dr Prowse, you mentioned again about getting this out into farming magazines. I would hazard a guess and say that only a very small percentage of those producers will actually read these articles. Given that the majority of primary producers are very hands-on people, why isn't one of your methods of disseminating information the holding of workshops and actually going out into the regional areas? You have a lot of major players who are members

of the alliance and you have a lot of horsepower behind you. Surely you should be looking at a method like the holding of workshops.

Dr Craik—If that is what they all say they want, I think we will.

Mr Gauchat—Since preparing our submission, we have learned quite a bit about how we should do things. One positive indicator came from those focus groups. During discussion, even though at the beginning the understanding was fairly minimal, with explanation—and I stress the word ‘explanation’ rather than ‘promotion’—of the technology, people took a different view at the end of the session. That gave us sufficient confidence to go out and mix it at the coalface. We now are designing a program to have people out there, explaining to groups. These might be workshops or they might be debates that are being held increasingly; they might even be organised by councils. In that way, people will get the pros and cons of the technology and have an opportunity to debate it.

CHAIR—You will have to get people who know what they are talking about to do the explaining.

Mr Gauchat—That is right. So obviously we need to educate and train the trainers to get out there. I think this is the only way we can have some success: to go out and give people a chance to air their concerns, and to explain the technology. It will be a program rather than a campaign. The focus will be on explaining the technology rather than just promoting it. There will be dialogue communication; I think it is important that we allow people to dialogue it out.

There are existing networks that we can use. For example, in our industry we have the retailers. We also have a very successful training program, organised and managed by the farmers, regarding proper chemical use. These people are required to be re-accredited every five years, so that could be used to explain the technology also. There are mechanisms already that we can use to get the message out.

Mr SECKER—I would not underestimate radio either. Farmers, whether on the tractor, in the ute or wherever, listen to the radio a lot.

CHAIR—Yes. One possibility is the running of radio tapes. They are quite inexpensive but give good broadcasts.

Mr SECKER—In your submission you speak of consumers not really wanting to be preached to or educated about biotechnology. If that is the case, it will make your job very hard. How will you get this information out in a form that does not preach to them or try to educate them? Really, that is what we are trying to do. We are trying to educate them—consumers, farmers, the whole lot—because, for most people, it is fear of the unknown, and a fear program has been run against biotechnology.

Dr Craik—I think it will be very difficult until consumer benefits start to be seen in food. Then they can actually relate to it themselves.

Mr IAN MACFARLANE—And until you charge them more for anything with biotech in it.

Dr WASHER—That is what I was telling you.

Mr IAN MACFARLANE—I have remembered every word.

Dr Craik—I think it is a case of consumer benefits. I suppose, if they see that farmers are more assured, perhaps that will encourage some. If a generally greater volume of information is around giving the other side of the case, at least some of that will impinge on some and provide a background.

CHAIR—It comes through from your survey that the information given to consumers and primary producers has to be trustworthy. Coming through to us in our inquiry is that the whole regulatory system has to be trusted. Is that also coming through in your survey work?

Dr Prowse—Yes. In the focus groups, the very clear message came through that consumers do not trust government regulators and they do not trust scientists who are involved in the technology.

CHAIR—Whom do they trust?

Dr Prowse—They trust very few people. It was really quite a striking finding. Young people in the 18- to 25-year group particularly do not trust anyone. They think everyone either can be or is being bought. That is a real issue that I think the government regulators need to recognise and in some way—and I am not sure how—address. Until the public trusts ANZFA, GMAC and IOGTR, there always will be this distrust of the technology.

Mr ANDREN—Just picking up on that, I said last week—and I forget who was giving evidence—that part of the credibility problem out there, it strikes me, is the involvement of the major chemical companies in the possession of the genetic licence, or whatever. Are you seeing that in your surveys? If so, how do we overcome it?

Dr Prowse—We are seeing it in our surveys. I think it is more widespread than just in agriculture. It is more about selling Australia in general in the purchase of Australian companies by multinationals. That is reflected in the attitudes that we are seeing in these surveys, particularly by consumers. I do not think such issues as the purchase of seed really have an impact at consumer level. But there is this concern about being owned by multinational companies.

Mr ANDREN—Are you aware of the antitrust lawsuit in the US involving the eight largest antitrust law firms? They recently brought an action against the Exxon Valdez incident, the tobacco industry, Microsoft, and so on. They are taking on Monsanto and Novartis over leasing, vertical integration and from paddock to plate control. What impact do you think that is likely to have, firstly, on Monsanto, et cetera, loosening their ties on this technology and, secondly, on the whole job?

Mr ADAMS—I would just add that they said in that that the supplier replaces commerce, as we traditionally know it. We have sellers and buyers in the market. Biotech food crop eliminates the market and replaces it with supplier/user networks. The seed is only leased to the farmer for the year, so the farmer loses that sort of control. I suppose that farmers will be concerned when they read this; it only came a week or so ago, I think.

Mr SECKER—We have some PBR varieties now.

Dr Craik—Yes, some of that happens now.

Dr WASHER—Although it is looked at as being end point levy here in Australia, it is a different way of doing business.

Mr ANDREN—It strikes me that the chemical companies must realise that public perception is their problem as well. There is this concern—whether or not it is true—that they want to dominate the technology. Maybe licensing agreements and so on are the lever to let them loosen control over some of this. Do you see any possibility of that if this threat is hanging over them? The interview that was given the other day on Radio National suggested that the chemical companies are running for cover. It suggested that they are really getting twitchy about this whole suit.

Mr ADAMS—Their shares are starting to fall.

Mr Gauchat—You have asked a lot of questions. But, in all fairness to Monsanto, the company that is in the news mostly, there has to be a concentration of industry when you begin a new technology, and it happens to be Monsanto. Monsanto is the only company in Australia with an active product in the marketplace. Having said that, I think the concentration of power will decrease over time as other companies start to come in with the same technology. The number of companies that would actually enter these particular markets really depends on what sort of regulatory climates Australia will have, including IPR issues.

Yes, the industry is quite aware of the public image opportunity in terms of rebuilding relationships with the public. One of the reasons for our joining AAA is because we believe it is one way we can do it—by providing factual information on the risks and benefits of this technology. So we intend to work on the image aspect. We realise that it is a big ask. We have to turn around a lot of opinions in certain cases. On the other hand, if you look at the technology in a very objective way, especially with BT cotton, I think the farmers are understanding the technology and are applying it in a responsible way to get benefits for themselves and eventually their customers. But BT cotton is not a food product, as we know, so it is different. But we are aware of the public image opportunity and we are trying to build bridges.

Mr NAIRN—I think the question I was going to ask was almost tied up in that little bit of discussion. I mainly wanted to get to whether you had any particular comments on the intellectual property aspect, but I suppose you have covered that a little bit in that discussion with Peter. You do not go into intellectual property rights at all in your submission. You also

mention US legislation being more advanced than Australia's. Can you expand on that a little further? What sort of area are you talking of; in what way?

CHAIR—You mentioned it in your submission, but I presume you were referring to the food and drug authority and the regulatory process.

Mr Gauchat—That is right. In America, new technology is more readily accepted. They have a regulatory system that allows this technology to pass through the various risk assessment steps. I guess we were referring to that as well as to the Canadian situation.

CHAIR—When you say that it is more readily accepted in America, are you comparing it with Europe or with Australia?

Mr Gauchat—I think with both. But, as we see now, things have caught up and consumers, as well as certain farming groups, are now asking questions. Obviously they were ready in America to apply the technology, and some of them now are having some difficulties in selling onwards. Hence, you are getting a wave of consumer reaction. So, in a way, Australia is fortunate to witness both situations: what is happening in Europe as well as what is happening in America. Certainly the alignment that Australia has taken towards the EU has helped, in a way, to understand what might happen globally. We see that in America things are changing. So the government does have a lot of opportunities now to align the new regulations with what the global market will demand.

Mr ADAMS—In your submission—and we have picked this up also through the evidence we have been given—there is an attitude of 'we can't go steady, we can't go slow; we have to go quick and we have to embrace this very quickly, otherwise we'll be left behind and the World Trade Organisation will put pressure on us'. It is here in your submission. It is a bit of a pressure point for us in saying, 'You've got to do this, you've got to do this.' It seems that we are being told constantly that we have to embrace this technology very quickly.

CHAIR—Not from everybody.

Mr ADAMS—No, not from everybody, but from the industry, the farmers' organisations and all the scientists involved in the research. It is a bit concerning. The Japanese do not seem to have embraced this, and they are a major trading partner. I do not think the South Koreans have embraced it either. However, we still have this major push occurring. What are we doing with our major trading partners as far as this technology is concerned? What do we know about their attitudes?

Dr Craik—I would point out that, apart from farmers in New Zealand, Australia's farmers are the least subsidised in the world, so they need every competitive edge they can get in selling 80 per cent of their production on the world market. European farmers are subsidised to the hilt and do not need to be competitive. Japanese farmers are subsidised to the hilt and protected; they do not need to be competitive. Koreans are protected to the hilt. In America the total net income in agriculture this year is about \$45 billion, of which about \$16 billion comes from the government; so American farmers are pretty well subsidised by the government. As I have said, Australia's farmers need every edge they can get, and

biotechnology provides a reasonable edge. There is pressure to use it here, I think, that does not necessarily apply in those other countries.

Mr SECKER—But I think the question is: if such a significant number of our trading partners at this stage are not interested in genetically modified crops or food, where are the markets?

Dr Craik—As far as I know, Australia is still selling its cotton; that is the only one right now that is a commercial crop. As far as I know, 50 per cent of one of America's major crops—and I cannot remember which one—is GM this year.

Mr ADAMS—Soya beans.

Dr Craik—Yes, soya beans. The Americans may have some difficulties, but I cannot imagine developing countries, if they have food shortages, being too concerned about whether crops are GM or non-GM. I think it is also true to say that the new regulatory environment we have in Australia will mean some slowdowns. As I understand it, Roundup Ready cotton was about to get its final approval through the previous process; but with the introduction of the Interim Office of the Gene Technology Regulator, that has been set back a year. If that was almost ready to go and it now has been set back a year, then we will not see things come onto the market that quickly in commercial quantities.

CHAIR—There is no doubt that the interim brief on what the OGTR has proposed is that the regulations for any genetically modified product are very much tougher to get through than those for any other product.

Dr Craik—Yes.

Mr IAN MACFARLANE—To my knowledge, the only country that is saying almost a complete no to GMOs is Japan. Japan has a history of very strict attitudes towards things like residues, and so on. For instance, you cannot send wheat to Japan if it has been sprayed with any insecticide. I think this is just a continuation of that. The Europeans have introduced strict labelling legislation, but they certainly have not prohibited it.

So I think it is a very strong overstatement to say that the consumers do not want these products. The consumers, to my understanding, are really saying, 'We want them labelled in such a way that we can make up our own minds.' That really goes to the question I would ask the alliance: what is your attitude towards labelling? Also, where do you think we are going with it; and do you think it will be effective?

Dr Prowse—There is no doubt that you are correct: very few countries have banned GM products, and the labelling issue is the important one. People are demanding that these products be labelled in a way that allows clear identification. So it is not that the products are not allowed in the country; they are allowed in the country if they are labelled.

Even Japan accepts a large amount of canola from Canada which, in fact, is GM canola. In fact, I think that is the largest market for canola in the world. So even Japan is accepting GM products. Again, their move is to ensure that those products are actually labelled. Our

thoughts are that meaningful labelling will probably meet the needs and concerns of a lot of consumers.

CHAIR—What do you mean by ‘meaningful labelling’?

Dr Prowse—Labelling that allows consumers to make an informed choice. For example, the ‘may contain’ label is not really a meaningful label. Some of the labels on products now are not really very useful in allowing consumers to make an informed choice. So ‘meaningful label’ is a label that conveys information which allows a consumer to choose to buy a particular product or not, as the case may be. We believe that that will meet a large part of the demands of consumers. In fact, the survey work backs that up—that consumers want products labelled so that they know what they are eating. I think that is quite a reasonable demand.

Dr WASHER—I will just follow that up a little more specifically. If you were adviser then to ANZFA, what residue, in percentage terms, would you accept our also having to label? That also is a question that has to be addressed. It has to be addressed from two different points of view: from a safety point of view to organic growers as well as to GMO. I know that the range is from three to five per cent; I would go for five per cent. What is your opinion on that?

Dr Craik—I do not think we have one.

Dr WASHER—You probably need to get one if ANZFA is going to label.

Mr Gauchat—Can we take that on notice?

Dr Craik—We do not have a position on it at this point, but we can take it on notice.

Mr SECKER—We are talking about a tolerance level.

Dr WASHER—I will clarify it. The big problem in labelling is that, if we say this is GMO free, we need to say to what degree. Zero is not possible. Forget zero because no-one on the planet can do that. These days there is just no control to be able to do that. We need to say what percentage of GMO contamination, so to speak, we will accept while still calling it GMO free. The feeling I have is that it should be five per cent. But these are the kinds of questions we need to legally know if we are to scientifically label. There is no mucking around, it is science. You will have to go to court and you will have a bad day if you muck it up. We need to address all these things with labelling. So we need to get some advice and some feeling from farmers as well as organic growers about this. We are going to have a product and we are going to label it—and this will be happening very soon; what are we going to accept?

Mr Gauchat—It is a good question but also a very difficult one to answer. You can either have a five per cent limit or you can go down to the level of detection, depending on your analytical methods. There are few methods available, but there will be more in future. Presumably the levels will start to go down closer to zero, as we have seen with chemical residue testing.

Dr WASHER—Technically it can be taken down to one per cent.

Mr Gauchat—At this stage?

Dr WASHER—Yes.

Dr Craik—Just wearing my NFF hat, I would make one comment. We have had some legal advice which suggests that the decision of ANZFA may cause Australia to have trade problems in the WTO; that is because of this whole issue of focusing on production and processing methods, which is not a legitimate trade barrier to impose. So, from my NFF hat point of view, we do have concerns about the trade issue, we do have concerns about labelling and the cost of labelling and about it being useful and meaningful. However, at the same time the market is always right and, if consumers want labelling, well—

Mr Gauchat—But it has to be assessed so that it does not confuse the consumers more. The more variance you have in labelling, the more likely it is that the consumer will be confused.

CHAIR—The system with its whole regulatory process has to have an integrity, otherwise we can forget about DIFF.

Mr ADAMS—Are you going to set up a bureau?

Dr Craik—No. The Food and Grocery Council has set up a Food Science Bureau.

Mr ADAMS—What about your group? Which group will have consumers on it? Will any of these groups be set up to get away from the perception that ‘you’re a part of the industry’? How do we get that when we have the other side having some meaningful? Also, how do we get over what Mal was saying about the need with the labels? Do you have any comments on that?

Mr Gauchat—We have had some informal discussions with the ACA, the Australian Consumers Association, to see whether it would be interested in being part of this. The ACA’s initial response was no, it would prefer to be where it is so that it can comment on other groups’ activities. But the second option would be to consult with the ACA, in a timely fashion, on some of the things that we are doing and get its views, and we would adjust according to some of the suggestions made by it. I think that is the option we will follow.

Mr IAN MACFARLANE—It has been suggested that the unexpected reaction by the farming community towards GMO—and I will be keen to see that survey—is something of a body blow in terms of consumer confidence. I just wonder how we will turn that around. What is your feeling on that?

Dr Craik—I agree with you, I too was a bit surprised at the strength of the reaction. From the sorts of information we had got back, I expected some concern but I sure as hell did not expect it to be of the level that was in that survey. If you look at the questions and the answers, I think it really reflects the absence of information out there—and the absence

of reliable information. That is what I think it does. I think it really underlines the need for us to get more information out in a positive way. People want that to happen so they can know about it and respond to it. They want to hear about it in a positive way. I think that is critical.

CHAIR—Dick has referred to the speed and the pressure that seems to be being applied to producers to accept the technology. But, on the other hand, I think there is also a need for speed and to apply some pressure on getting the information out to people so they can make these informed choices. You as a group have come together and your primary responsibility is to disseminate this information. But you are still talking about ‘in the future’. What time frame are you looking at?

Most of the others we have spoken to are also talking about in the future. ANZFA has already made some decisions about labelling which have been mildly received in some quarters, totally rejected in others; there has not been overwhelming support for what ANZFA has done either. We are in this sort of hiatus period where, if we are to be able to have informed discussions in this debate, we need the information. And not only do we need the information, we also need to know the information is authentic. Can you give us any leads with this? What of your own time frame, for example?

Dr Prowse—We are in the position now of generating the information. We will be releasing some of it in the middle of October at the Young Farmers Forum of the National Farmers Federation. That will be a good opportunity to interact directly with several hundred young farmers who are coming to Canberra to spend three days discussing issues that are impacting on farms and their future. That will be the start of the process.

By the end of October, we plan to have the information in a reasonable format. Then we can start distributing it more widely, as I mentioned, through the farmer magazines. We are participating also in a number of forums and debates that involve farmers, and that is giving us a direct participation there. This information also will be used in the development of some speaker kits. With those, we will nominate individuals, hopefully all around the country, who will be able to participate directly in the debates and in discussion groups and forums where this issue is being discussed. Roughly by the middle to the end of October, we aim to be in a position to progress this much faster.

CHAIR—Have you seen the pamphlet that is freely distributed in New Zealand supermarkets?

Dr Prowse—I am aware of that pamphlet, but I do not have a copy of it.

CHAIR—It really is a very user friendly pamphlet. It does not take any sides. It spells it out. Perhaps it might be worth your while to look at it.

Dr Prowse—Perhaps I could just finish my comment. Biotechnology Australia is taking the pathway of producing a pamphlet for supermarkets. It is producing around about 3½ million copies, I think, which will be distributed all around Australia.

Mr Gauchat—I would just give an additional comment on that. In terms of a time frame, we know that the time frame of the OGTR, Office of the Gene Technology Regulator, is 1 July 2001, possibly 1 January 2001. I think that is the time frame we have to work in. We certainly need to get out there with information as quickly as possible and then interact with different audiences and be able to debate this out. But certainly, if we cannot successfully start to get people involved in this and have some objective views about the technology in the next 12 months, then I think our job will be extremely difficult from then onwards.

CHAIR—There has been a hiatus, hasn't there, since the Consensus Conference on Gene Technology that was held here in Canberra. That conference showed, just as your survey is showing, that people are really wanting that information. Perhaps the consumers and primary producers themselves will apply pressure to groups like yours, because they will not just want it, they will demand it.

Mr Gauchat—Yes, that is right. But the consensus conference I think highlighted one very important need. That was for regulations to be in place and for the regulations to be explained to the consumers—how they work, how transparent they are, what public involvement there is in the whole regulatory process. I think that was the key message. Then obviously there was labelling, and there were some other aspects to that.

CHAIR—But that message came out some months ago.

Mr Gauchat—It did.

Dr WASHER—I would just make the comment that, with the labelling issue, ANZFA has got itself into a very, very difficult situation. You could say that it is psychotic, and that would be being fair to it. I do not know how the hell ANZFA will get out of this one. It is a real bad day for it. It will certainly have to modify—

CHAIR—Why don't you just be frank?

Dr WASHER—I am trying to be diplomatic. Labelling is not going to help us. One of the problems we face rests with the marketing of this. As I see it—I think Wendy hit the nail on the head and I would have supported what she said totally—it is very hard to market to the consumer when there is no measurable benefit to that consumer. This crazy labelling system that we are proposing will take any potential price reduction benefit away.

We would be able to make an additional claim to fame if there were to be a price reduction benefit. There is the environmental good—on the hypothetical side with there being less pesticide, less herbicide, more effective, cleaner seed, less grain and all the price reduction you get through that chain—and obviously the better utilisation of land and all those things, with the crops now being drought resistant and salt resistant, et cetera. That is all a farmer/environmental factor. Other than emotionally, the consumer does not benefit from buying that off the shelf unless it is cost effective.

What really will push it is the second stage or second tier of consumer benefits—high protein, high glutens, effective vaccines. I am speaking of the functional benefits which will

enable that product to be superior to a comparison product. The whole thing, of course, is that it is fantasy land material. No genetically modified food ever found to be of danger to anyone has ever been released onto the market. Fifteen years of medicine on, we would not be able to keep human beings alive today without genetically modified drugs. No-one worries about that with our intravenously injecting them and mainlining them. So I find that I have a lot of difficulty in understanding this argument. Insulin for 15 years has been of human beings' genes.

Dr Craik—Humans are not logical.

Dr WASHER—There are bugs and yeast, and we inject them into people. We have had no problems, never had one complaint.

Mr Gauchat—It has been explained to me that a sick person decides differently to a healthy person. Also this deals with food, and food is a value driven item. Different decisions are made on different food items by the same people on different days. It is a very complex issue.

Dr WASHER—Our vaccines are to prevent illness. They say that we use genetically modified vaccines because the danger was extracting them from animal models which, if contaminated, cause disease or allergies. If we genetically modify them to produce them, people want them. With the new whooping cough vaccine, there is no risk of getting that brain condition. Everyone wants that vaccine. It is twice as expensive, but everyone buys it—and it is genetically modified.

CHAIR—Mal, thank you for your commentary.

Mr ADAMS—Can you market it?

Dr WASHER—We are looking at marketing as a problem, so I am making the comment to acknowledge that we have solved some aspects of it.

Mr ANDREN—It just strikes me that, in your campaign, you need a 'did you know' sort of television campaign—'Did you know that insulin' whatever? The public just does not know.

CHAIR—Once again, this comes back to the lack of information. As there are no other questions, I thank you very much indeed for coming along before us. We wish you every success in your information campaign. I realise that your clients have probably paid a lot of money for this survey work, but would it be possible for us to have access to the survey, including the results?

Mr Gauchat—Yes, we will give you a copy.

Dr Prowse—Yes, the results will be made available to you. We will also make them available to Biotechnology Australia and others.

CHAIR—One final question: you did say, didn't you, that you surveyed people in urban areas as well as the regional areas?

Dr Prowse—We did a small number of focus groups but have not done extensive surveys in urban areas. We have done some survey work, yes.

CHAIR—Right. Many thanks for coming along here today.

Resolved (on motion by **Dr Washer**):

That, pursuant to the power conferred by section (a) of standing order 346, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 6.20 p.m.

