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Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON PRIMARY INDUSTRIES AND  
REGIONAL SERVICES

**Reference: Development of high technology industries in regional Australia based  
on bioprospecting**

WEDNESDAY, 27 JUNE 2001

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**HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON PRIMARY INDUSTRIES AND REGIONAL SERVICES**

**Wednesday, 27 June 2001**

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

**Supplementary members:** Mr Griffin and Dr Washer

**Members in attendance:** Mr Adams, Fran Bailey, Mr Secker and Mr Sidebottom

**Terms of reference for the inquiry:**

To inquire into and report on the following areas, with particular emphasis on the opportunities in rural and regional Australia:

- the contribution towards the development of high technology knowledge industries based on bioprospecting, bioprocessing and related biotechnologies;
- impediments to growth of these new industries;
- the capacity to maximise benefit through intellectual property rights and other mechanisms to support development of these industries in Australia; and
- the impacts on and benefits to the environment.

**WITNESSES**

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**Committee met at 5.05 p.m.****JONES, Mr Brian Robert, General Manager, Science and Economic Policy, Department of Agriculture, Fisheries and Forestry Australia****MORRIS, Mr Paul Charles, Executive Manager, Innovation and Operating Environment, Department of Agriculture, Fisheries and Forestry Australia****PEARSON, Mr Andrew Keith, Manager, Science and Technology Policy, Department of Agriculture, Fisheries and Forestry Australia****WONDER, Mr Bernard Steven, Deputy Secretary, Department of Agriculture, Fisheries and Forestry Australia**

**CHAIR**—I declare open this public hearing of the House of Representatives Standing Committee on Primary Industries and Regional Services into the development of high technology industries in regional Australia based on bioprospecting, bioprocessing and related biotechnologies. This is the fifth hearing of our inquiry and the second one with witnesses from AFFA. I welcome the witnesses from AFFA. You have been asked to appear today to allow the committee to follow up on some issues raised at the first hearing and in the subsequent letter from me to AFFA. These issues are the drivers for innovation in AFFA, and access and benefit sharing with respect to Australia's biological resources. We understand that a couple of your people who were directly involved in the questions of access and benefit sharing are overseas at present, but I am sure you will be able to answer our questions. If not, you can take them on notice.

While the committee does not require you to give evidence under oath, I have to advise you that the proceedings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament.

We have of course received AFFA's letter of 19 June and we have already taken it as a supplementary submission to the inquiry. I would like to begin the questions today by referring you to a question that I wrote to AFFA. I will read the exact words:

What is AFFA doing to make sure that we do not lose the window of opportunity that we have with our megadiversity for developing a bioprospecting and bioprocessing industry in Australia?

Mr Wonder, would you like to start with that?

**Mr Wonder**—I will make some overall comments about the perspective that we bring to that question. My colleagues may want to follow up with more detail. First, let me say thank you for the opportunity to provide a second submission to you. To answer that question, I want to focus on what we perceive to be our key drivers for taking forward the issues you have raised. In other words, in terms of administrative items that we are responsible for under current arrangements, what are the catalysts that we have at our disposal from the government to address the issues of concern to your committee? There are several of them—we believe they are worth talking a little about. I should say that they are all, as we say in our letter, within the

framework of AFFA's objective of securing more sustainable, competitive and profitable industries. That is what we are about.

The first of them is the R&D model. We think that is quite fundamental in—

**CHAIR**—In answering the question, could you pay particular attention to bioprospecting and bioprocessing? We are very aware of the role that AFFA plays across a whole range of industries and with innovation, but the question that we have specifically asked of you is: what are you doing in particular to capitalise on this advantage that Australia has in regard to bioprospecting and bioprocessing?

**Mr Wonder**—There are specific examples, which I will ask Mr Morris to refer to, but I want to also make the point—and I think it is important to the committee—that through the arrangements we have for our R&D model, our minister and our parliamentary secretary, Senator Troeth, regularly write to the various R&D corporations in the portfolio bringing specific issues to their attention.

**CHAIR**—I would like to take you up on that very point. On page 6 of the subsequent submission that you made to us you refer to the point which you were just making—that the minister and the parliamentary secretary write. You listed the priorities; in fact you listed seven priorities. The third one is:

development of biotechnology, along with sensitive handling to accommodate consumers' concerns

I actually think that could refer to GMOs. I do not see any priority given to bioprospecting and bioprocessing.

**Mr Wonder**—We would say to you that we see bioprospecting and bioprocessing, as we say two paragraphs below, as subsets of biotechnology. So we would identify it under that heading.

**CHAIR**—But the seven priorities that you listed, only one of which refers to biotechnology, I actually do believe that refers to GMOs. You talk there about 'sensitive handling to accommodate consumers' concerns'. I really cannot see where you are still giving any priority to bioprospecting or bioprocessing.

**Mr Wonder**—We say, 'sensitive handling to accommodate consumers' concerns' because we know that consumers' concerns are important in anything we do in this area. If we were not handling those issues sensitively, then we believe that we would be in difficult territory. We would say to you that we see biotechnology including, as subsets, bioprospecting and bioprocessing. I would want to go a bit further than that; I would want to also say that we have the opportunity, as this is not a once-off thing that we do—as I said, it is something that the minister and the parliamentary secretary do regularly—to build on your work in this inquiry, and the results of it, and we can take to our minister the idea that we can further highlight the opportunities in this area and future engagement with the R&D corporations.

**Mr ADAMS**—The issue that we really want to report on, and make recommendations on, is the position of access, benefit sharing and getting an overall national picture. It is not a matter of one-package-fits-all, as you have put in the submission, or picking winners or losers. In this

area there are a whole range of legal issues. We think that we would be better off having a national approach, but fitting in the states as well, so that we have an overview of the situation from a national perspective. I think we would be looking at recommending that sort of approach. We were looking to your department to give us some guidance in that area.

With respect to what you have got about winners and losers, we do not want to get into recommending that either; most of us would accept that. We do not want to upstage the states in any way. But if we can have an overview approach for the Commonwealth, we think we would then have a better focus internationally, we would then have a better focus on laying down good criteria for that ownership, for the gathering of information, for people getting ownership rights and all those issues that are sensitive in this area—more so for the consumer. This area is really about the pharmaceutical industry distributing their drugs to the consumer. This is not a consumer issue; it is at the other end.

**Mr Morris**—That gets into the second part of the submission, I think, where we are talking about the access and benefit sharing arrangements, which is probably better answered by the other people. But let me have a go at making a few comments on that along the lines of what we have in the submission as well as a few other thoughts.

Everything you have said is correct, and we would basically agree that there are these issues. A lot of them are at the state level but the Commonwealth quite often does come in and show leadership on these issues and we have in fact been trying to do that on a number of occasions. As you know, we are involved in the international negotiations on that. Then there is of course a domestic side of that as well, conveying what is agreed internationally eventually to the domestic sphere as well as the interaction with the states on these issues. One of the key things that we raise in the submission and that happened in the past is the Commonwealth-state working group which was dealing with these issues. We attached a copy of a discussion paper—which you asked for at the last hearing—which was developed by the Commonwealth-state working group and which spelled out some very good principles, in our view, for trying to deal with some of these issues for moving forward on our way—

**Mr ADAMS**—That was 1996, though, wasn't it?

**Mr Morris**—That was October 1996, but we still support today the principles that were developed at that time and still push for the states, in terms of principles, on ways to carry this forward.

**Mr ADAMS**—Is that page number available?

**Mr Morris**—It is on page 19, from memory. Let me double check that. It is on page 19 and page 20 of the attachment.

**Mr ADAMS**—We do not have that.

**Mr Morris**—Here is an extra copy. We did provide a copy of that shortly after the last hearing, I believe, and then also attached one to this submission. Page 19 spells out various principles to underlie that framework of discussions, going forward with the states on how we might handle these issues that you have been raising on market access.

**CHAIR**—On page 3 of your submission, AFFA claims that:

In particular, AFFA has had a leading role domestically and internationally in evolving discussions on issues relating to access and benefit sharing.

Could you tell us exactly what you are doing in this leading role? We are aware of the Voumard inquiry and the role that Environment Australia is playing, but we are not aware of the role that AFFA is playing. For you to claim that you are playing the leading role, I would like to know what you are doing.

**Mr Wonder**—I can start and Mr Morris might wish to add more. What is in my mind is the international undertaking on plant genetic resources. That is an undertaking that is being developed in the Food and Agricultural Organisation. In fact, two of our officers are there this week, attending the final negotiations on the development of this undertaking. That undertaking will then go to a FAO ministerial council meeting in November this year, where it will be discussed and potentially some decisions will be taken on it.

**CHAIR**—What about domestically, given as my—

**Mr Wonder**—I am sorry, I thought you said international.

**CHAIR**—I was actually quoting from your submission where you say that you play a leading role domestically and internationally. I am following on from a point that my colleague made about you playing this leading role domestically. We have the task of making recommendations to government as to how we see this national approach being developed. That involves, obviously, the states and the territories, and looking at work that has already been done, like the working paper from 1996 that you referred to. I am very interested to know what AFFA is doing in what you say is a leading role domestically.

**Mr Wonder**—I have answered your question in regard to internationally. Paul, can you add—

**Mr ADAMS**—Could we deal with the FAO? Tell me what that is about.

**Mr Wonder**—Bearing in mind that I am on the periphery of my knowledge—I am not an expert in the area; as I say, our experts are in Rome at this very moment in the final negotiating session—essentially it is about how countries internationally can access plant genetic resources. The current system, as we see it, has historically relied on the international centres for international agricultural research. That system, in our view, has worked very well.

**Mr ADAMS**—Yes, but it is not going to work in this area.

**Mr Wonder**—You asked what the undertaking is about. It is basically about looking at the status quo vis-a-vis alternatives to that system and how it serves the developing and developed worlds in terms of future access. There are a number of options being considered. That is what that undertaking is about.



**Mr Morris**—There is a diagram in the submission in a very summary form but it actually provides a little bit of information on what the International Undertaking on Plant Genetic Resources is about. It is on page 16 of the submission. The reason we laid out this diagram the way that we did was because it provides information on other relevant international agreements as well, of which there is quite a number. It is important to see that there are interconnections between all of those agreements, so that provides a little more information.

**CHAIR**—I think that you have given us the details on that and we know that that does relate to a limited number of crops, but what I want to pursue is your claim to be playing ‘a leading role domestically and internationally in evolving discussions on issues relating to access and benefit sharing’. I would like to know, for the purposes of this inquiry, exactly what you are doing, because as I said we do have some recommendations that we must make to government in this area.

**Mr Morris**—I might see if my colleague Mr Pearson can comment on that. That is really an issue which Kristiane Herrmann—who is one of the officers overseas—has been dealing with.

**Mr Wonder**—We might have to take you up on your offer, to the extent that we cannot satisfy your questioning, to take them on notice.

**CHAIR**—I would have thought that if you were playing this leading role, Mr Wonder, you would have known about it.

**Mr Wonder**—The leading role that I am familiar with is in respect of the international undertaking. I have not personally been involved in the domestic part of AFFA’s activity—

**CHAIR**—Does that reflect the priority that you give to bioprospecting and bioprocessing?

**Mr Wonder**—No, it does not reflect the priority at all. I am just telling you frankly what role I have personally had. If you would like to have these other officers come up and talk to your committee, I am very happy that they do so as soon as they are back from Rome. I can make them available, if you would like.

**CHAIR**—Did you want to add something, Mr Pearson?

**Mr Pearson**—Perhaps if I can add a small amount, because in terms of preparing the Australian position for the international negotiations, I do know that Kristiane Herrmann has been involved in discussing with various Australian stakeholders—

**CHAIR**—You do not have any information about what you are doing domestically either?

**Mr Pearson**—The discussions in preparing the Australian position have involved, for example, the Seed Industry Association of Australia Ltd, so that I can just add that, but I think it is probably necessary that we take that on notice and ask our experts when they return.

**CHAIR**—I am going to bring you back to the words that you have written in your own submission, in which you claim to be playing:

... a leading role domestically ... in evolving discussions on issues relating to access and benefit sharing.

This inquiry is dealing with bioprospecting and bioprocessing. When AFFA was before this committee previously, I have to say, on the record, that it showed a level of ignorance about the subject that left the committee members aghast. You have been given the opportunity to come back before this committee. I have acknowledged that you have got two officers who are overseas, but when you state in your submission that you are playing 'a leading role domestically' on probably the two most important issues that we are dealing with in this inquiry—namely, the questions of access and benefits—I would have expected somebody from AFFA who was appearing before us this afternoon to be able to give us some information.

**Mr Wonder**—As we said at the start, we gave you warning that we were not able to bring the officers along who may have been able to answer the questions in detail that you are looking for. What we have been able to do is to show you that we believe that we are leading in this area in agriculture by way of our involvement, first of all, in research and development; secondly, in innovation—

**CHAIR**—Mr Wonder, we do not need you to go through all that. You have made this perfectly clear in the submission.

**Mr Wonder**—That is a leading role—and that is what the government has given us responsibility for—in a number of administered items that can have a real role in these areas that you are interested in. I do not know whether you are not interested, but we actually think they are important.

**CHAIR**—We are trying to establish the priority that you are giving to bioprospecting and bioprocessing.

**Mr Wonder**—These areas have a lot to do with bioprospecting and bioprocessing.

**CHAIR**—Give us some specific examples.

**Mr Wonder**—We would like to do that.

**Mr Morris**—We have listed quite a number in the submission at attachment A. I could run through the examples listed in attachment A.

**CHAIR**—I am now going to have to vacate the chair.

**Mr Wonder**—That is a shame, because we would have liked to address your questions.

**CHAIR**—I will certainly be reading the transcript with great interest, Mr Wonder. Unfortunately, I do have to leave.

**Mr Wonder**—We will be answering your questions in some detail.

**CHAIR**—I will be making sure that you do, Mr Wonder.

**ACTING CHAIR (Mr Adams)**—I am trying to find the attachment.

**Mr Morris**—Attachment A is actually at page 5. In attachment A, under the various programs that Mr Wonder has spoken about that we deliver in AFFA, we have tried to respond to the committee's questions to us by trying to be very specific in terms of some of the projects and activities that have been funded under each of those projects. For example, under R&D, we have contacted the various R&D corporations and asked them for a few examples and, in particular, this area of interest really falls within the Rural Industries Research and Development Corporation. They have provided some quite specific examples, on page 7, of four projects that they have done in the general area of bioprospecting or bioprocessing.

They also have a couple of projects in train at the moment to do with Australian plant bush foods and deriving innovative products from indigenous Australian bush foods. Some of their earlier projects go a bit broader than bush foods; they get into looking at extracts from garlic, for example, and how they might feed into further processing and development. They look at the fibre crops and what the prospects are for making non-wood fibres for various end uses, and also antiviral compounds. Some very specific examples are given there. I might also mention that they released a fairly comprehensive report, in November of last year, on new pharmaceutical, nutraceutical and industrial products. That was specifically addressing the issue that you asked us about, which was: to what extent has Australian agriculture been providing or been supported to look at outputs that might support the pharmaceutical, nutraceutical and industrial products? There is a report—

**ACTING CHAIR**—What is the name of the report?

**Mr Morris**—It is called *New pharmaceutical, nutraceutical and industrial products*, and it was released in November 2000. I do not want to read the whole submission to you, so I will briefly touch on a couple of other things. We have a new Farm Innovation Program, which is specifically looking at trying to encourage the adoption of research and development on the ground. There have only been two funding rounds, but already one project funded under that program is looking at utilising some native pepper trees to produce various extracts for further processing. That was a project in Tasmania called Essential Oils of Tasmania, which I note here and which has quite a lot of prospects.

We also have the New Industries Development Program, which was recently extended under the Backing Australia's Ability package of initiatives announced by the government earlier this year. Under that program, we note three specific projects which have been funded which relate to the development of a wheat protein for competition with soya protein in the market. An echinacea project, which relates to a herb mainly used for medicinal purposes, is mentioned here, as is a project on bovine cartilage. There are a number of other areas we have mentioned on more of an ad hoc basis which we talk about in this submission, including some support for development of ethanol fuel from the sugar industry, which is obviously a highly processed product. There are a couple of examples there.

**Mr SECKER**—With respect, this seems to be about bioproducts and bioindustry rather than bioprospecting—which I think is what this inquiry is about—and we are still getting the feeling that we are missing the boat. You are giving information about what are all very good things—great! But we are interested in where we are going with bioprospecting; how AFFA is dealing

with promoting what we can do with AFFA and how we can evaluate it; and how we can encourage industry and make it work for us here in Australia and internationally. We have got a lot of potential here, so we really want information on that rather than bioproducts.

**Mr Morris**—A lot of the projects I have mentioned are from the ‘demand pull’ end—I suppose you might put it like that. In other words, we are looking at ways we can support the processing end which will actually pull through some of these products. If you can actually encourage and support people in the development of markets and processes for the products which come out of that bioprospecting end, then hopefully you also encourage the bioprospecting.

**ACTING CHAIR**—Isn’t that picking winners?

**Mr Morris**—The department is not specifically picking winners—in terms of sitting back and defining a set of priorities and then going out and seeing who would actually go and deliver those. We have these programs and let whichever industry is best placed to determine what the best prospects are come to us with ideas, which we potentially then fund—if they meet the guidelines of these programs. As I mentioned, there are a number of areas where people have come to us and we have funded those. On the bioprospecting end I think it is fair to say a lot of our effort has really been on the market access type issues, and on working with the states—a few years ago—on the set of principles, and looking at how we might promote those and get them adopted. On the international side of things we are working to get an international institutional framework in place which will actually support the development of these industries in the future. I do not believe we have any specific programs on the prospecting side other than to try and work on these institutional arrangements and get the right measures in place.

**Mr SECKER**—I think at the last meeting we had evidence that it took two years to get an agreement up in the Antarctic. If we are going to have those sorts of delays all the time, I’m sure we would like to be convinced that we are going to get on to this more quickly, as quickly as we can, and not have bureaucratic delays or industry delays—it does not matter whose fault it is. We would like to have an arrangement so that everyone knows where they stand and they can just place a tick beside matters, and off they go. Are we any closer to that situation?

**Mr Morris**—I suppose there are two sides to that. On the international side: it takes a long time to negotiate any international agreement. We can put our position as forcefully as we like—and then every other country is doing the same thing. As I understand the FAO negotiations, they are hoping to conclude them by the end of this year—but I would not put money on that.

**ACTING CHAIR**—But we have got our own sovereignty.

**Mr Morris**—That is right. I was going to go on to that.

**ACTING CHAIR**—We can do whatever we want for ourselves. People are already gaining things from micro-organisms that are coming out of Antarctica. It has taken two years for those scientists in our Antarctic CRC to get agreement, to be able to get them, and to do the work on them. Those are the issues that we are into and trying to come to grips with in our report—people getting access to collect bugs in the states’ national parks, in private property, in Aboriginal communities. We are trying to come to grips with issues of ownership on which we

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communities. We are trying to come to grips with issues of ownership on which we want to make recommendations to the parliament, so that the political parties can make policy on them, back through to your departments. That is where we are at.

**Mr Morris**—I can understand that. There is an element of frustration associated with the fact that the states have already established a whole lot of property rights—unclear property rights in some cases.

As we have tried to outline in our submission, the difficulty is that they do provide property rights to certain individuals, rights that already exist out there. Changing those arrangements often results in winners and losers, instead of another win-win situation for everyone. I think that is why, rather than defining a national institutional framework for property rights and access, the Commonwealth-state working group felt that, if everyone were operating under a set of principles and providing clear and transparent property rights within their own states, it would actually result in a situation closer to win-win than going ahead and trying to do a national set of institutional arrangements which would apply to all takers. As I understand it, that is where things sit at the moment.

**Mr Jones**—For the Commonwealth's part, it is looking at access in Commonwealth areas, as you are aware, through the Voumard process. As to the states, you are aware that the Commonwealth-state working group process has been going for well over five years—it was going well before 1995. The very slow progress perhaps reflects that individual states do not see it as a particular problem in their patch, because each state can change things—and they do from time to time—

**ACTING CHAIR**—Are you from the science and economic policy area?

**Mr Jones**—Yes.

**ACTING CHAIR**—The next big round of change is biotechnology. Do we accept that that is going to be one of the big changes? We think that Australia has some advantages, and we are told that on the evidence we have received. But we do not seem to be able to move forward in some of the areas that we want to, which we think we should do as a country, and you are not giving us very much access that there is much going on on your side. We are also interested to know from an economic point of view how we are going to take advantage of some of those things, fitting into the guidelines or some of the principles that you talk about.

**Mr Wonder**—I would like to comment, if I could. We are trying to bring to the committee's attention the programs that we have under our responsibilities that we believe can bring some benefit in the areas that you are interested in. We do not pretend to have a monopoly on the responsibilities for biotechnology across the Commonwealth and its respective departments and, indeed, as you would be aware—I am sure you have spoken with them—Biotechnology Australia is part of the Industry, Science and Resources portfolio. They would be in a far better position to talk about the general range of what is being spent on biotechnology than we are. In fact, under that program we are really only spending a very small part of their total expenditure. The programs that we have referred to are core AFFA programs that we believe can pick up some aspects of biotechnology and the subsets, as we refer to them, of biotechnology that you are interested in.

**Mr SIDEBOTTOM**—As you can see, there is a level of frustration around the place—

**Mr Wonder**—I understand.

**Mr SIDEBOTTOM**—and on your side as well. Could you give us some detail here, as you have gone to a fair bit of effort to try and make clear what you understand the situation to be. First and foremost, the people who have given submissions to us prior to today—and this was reinforced particularly on Monday—are stressing the importance of a nationally consistent scheme for accessing our biological resources and at the same time for the sharing of benefits from the exploitation of these resources. That is quite clear; that has come through in just about every submission that we have had. One of the main reasons that people are asking for a nationally consistent scheme is that it provides certainty—a difficult thing, I suspect. This is part and parcel of where you fit into this. I would like you to tell us what your preferred scheme for access and benefit sharing is, how that fits into providing a national consistency and certainty model, and how it differs from the Voumard inquiry, because I think that is very important—we have another model, if you like. Do you reject the Voumard scheme and, if you do, why? In other words: what is your approach to get national consistency and certainty? Is your scheme different from the Voumard scheme? If it is, how, and why would you reject the Voumard scheme?

**Mr Morris**—We will have to take the detail of that on notice because, as I mentioned earlier, the individual officers are actually out there right now doing the negotiations. What we have tried to spell out in the submission is that we recognise there are a lot of established property rights out there, and the potential complexity, or difficulty, in establishing a new, nationally consistent scheme, is that you need to deal with all the existing arrangements and actually form them into a consistent framework. We see that as being a difficult and long-term task. It may be an objective that could be strived for in the long run, but it is going to take quite a while to get there, particularly since the area of bioprospecting and bioprocessing is a very broad area and it could potentially cover any genetic resources. The breadth of the field adds a bit of complexity to it.

We have also said in the submission that what we support at this point in time is the adoption of a consistent set of principles by all jurisdictions, and the application of those principles to the development of their arrangements in terms of access and benefit sharing, so that there is much greater clarity, at least within each individual state and jurisdiction, as to what the arrangements are. That is our position at this point in time. In terms of the more detailed questions you have asked concerning the links to the Voumard inquiry, I do not think I can really provide an informed response to that. We would have to take that element on notice. I note that our general position is in regard to the adoption and application of those principles.

**Mr Wonder**—I cannot go into the details either, but I do not think we would want to set ourselves up as offering you an alternative view. As I understand it, the Voumard inquiry—and you have probably spoken to them—is initially by the Department of Environment and Heritage. No doubt they have given you some evidence in that regard. We are certainly included in the consultation and we will offer some input to the whole-of-government perspective, but I do not believe that we have offered, in our submission, a fundamentally alternative view where we have said this is—

**ACTING CHAIR**—Are you accepting their view?

**Mr Wonder**—No, I think we do have some issues that we would raise with the results of that inquiry. Unfortunately, I could not go into the detail of that. I am aware of the fact that there is a process going on and there are some views that we have been putting on that report.

**Mr SIDEBOTTOM**—The Voumard report I understand says, that the recommendations—that is, of its report—are based on the principles in the 1996 Commonwealth-state report, which you, of course, refer to—

**Mr Jones**—We are supportive of the principles, and we would like a nationally consistent scheme if that were possible. The question is: how prescriptive do you get when you drop down a level of detail? We have existing systems and it would be very difficult to change them. The states would probably resist and, if you did change it, then in the process of change you would create a lot of uncertainty and there would be winners and losers. Whilst we would like a consistent system, our position is that you have to move fairly slowly; first set up some principles and try to harmonise within that, rather than dropping down a level and prescribing what should be done.

**Mr SIDEBOTTOM**—Aren't those principles in the 1996 report?

**Mr Jones**—I understand we broadly support those principles.

**ACTING CHAIR**—Have you moved forward in your thinking since then?

**Mr Jones**—Again, we are not the experts in the department on this.

**Mr Wonder**—We will offer you some detailed advice on notice and I apologise for not being able to give further detail today. As Mr Morris indicated earlier, we still see the list of principles that are offered there on pages 19 and 20 as being relevant today.

**Mr SIDEBOTTOM**—One thing that is emerging, and we are sharing that with you, and you are aware of that, is that time and time again people have called for this nationally consistent approach. I know this is difficult, and, as a very important agency both for industry and for change, I suppose we are suggesting that that really is, in a sense, one of the key demands of people in this area and also will be one of the key things that we have to look at. I suppose we are really asking you: how far down the track have you gone with it? We see that as absolutely imperative to the development of what we regard as a fairly exciting prospective industry or industries.

**ACTING CHAIR**—What people are referring to here is this window of opportunity that Australia may have, where people gather from other areas or from us or take knowledge out of Australia, or whatever. We could lose this if we are not on the front foot. IT taught us that if you are not there, you never catch up because somebody else is in front. I guess, from this committee's point of view, that is where we are at with some of our thinking. Would I be right in saying that?

**Mr SIDEBOTTOM**—Yes.

**Mr SECKER**—Yes.

**ACTING CHAIR**—Has your department done anything along those lines of thinking, ‘Here’s a window of opportunity for Australia, we should be proactive in this, we should have some drivers in this’? You are still in 1996 mode with those principles and you have got an international situation that you are working on. Whereabouts are you on that?

**Mr Wonder**—We would fully agree, with respect to the territory you have covered; we could be in furious agreement with the idea that bioprocessing and bioprospecting represent a range of very significant opportunities that need to be carefully thought through. We would not disagree with that view. What we have brought to your attention is that we believe we have a few vehicles, through our programs, which have always been focused on innovation and science in a significant way. That is the approach that Agriculture, Fisheries and Forestry has taken for many years.

We think we are actually quite well positioned to use those programs to pick up these sorts of issues that you are expressing a keen interest in. I might add—and it would be wrong if I did not make this point—that, at the end of the day, there are many sources, as I am sure you are aware, of technological gain, productivity and profitability opportunities. So bioprocessing and bioprospecting would need to compete, in any of these programs, against other opportunities that do arise. If we are coming across as being a little frustrated, I do apologise for that. We are trying to convey to you the message that we believe the opportunities in this area can be brought to the attention of those people that are responsible for taking decisions on which programs are funded, at the end of the day, under these administered items. We are trying to convey that we do think there are some opportunities there.

**ACTING CHAIR**—We have received some evidence that if we do not move then we are going to miss the boat, in that others will be in this field and therefore our natural advantage will be gone. You have not offered us very much; we are still talking about 1996 principles. I understand the complexities of it, but to have a national approach, which you say you would like to have, we are really still, basically, on the 1996 principles.

**Mr Morris**—I have one additional comment. From the Commonwealth perspective, under the Constitution we really do not have too much of a role in a lot of these issues, so we always have to look for an angle in which we can actually get that role. We are accepting the view that in order to get a consistent approach the Commonwealth needs to get in there and do something, but we always need to find an angle in which we can actually convince the states that the Commonwealth ought to have a role in this. We have largely tried this international angle, which is an area where the Commonwealth clearly does have a role under the Constitution. We have been engaging in this international undertaking as basically a vehicle to working with the states to eventually adopt on a national level the principles that come internationally. Unfortunately, as with the way those international agreements go, it has taken a lot longer to reach an agreement than most of us would like. That has delayed our ability to then go in and actually start working with the states more on these issues, and that is another reason why we continue to push these principles. I would add that we always need to find that angle and do tend to rely on the international side of things.



**ACTING CHAIR**—Or the head of power from there. We use money from the Commonwealth a bit as well for programs and things like that.

**Mr SIDEBOTTOM**—I think there is a difficulty in that you do not have some of your key people here—you are key people, of course. I think you know the thrust of where we are going even more now. I know we will value the contribution that you make and that you will follow up those questions for us, because it is important. We share with you all the frustrations of knowing that you are dealing with the international state. We share with you this call over and over again for these attempts. At least we are going to have to come to terms with a nationally consistent approach, and certainty and so forth, as many people call for. The difficulties for you are ours as well. We are seeking that you make your contribution to helping us tackle that as well, because we share that domain.

**Mr Jones**—One way the committee can help is by establishing the extent of whatever problems there are in access. If you can demonstrate categorically that the system is broken and needs fixing, then that is an impetus to kick along this process that has been going on since 1996. My hunch was that the states thought it was basically okay, that it was a patchwork quilt but in most places it worked. There were a few gaps but there was not sufficient pressure on them to fix those gaps. If you demonstrate that there really are problems—that there is a real inhibition to people investing because of uncertainty about regimes or dealing with eight different regimes or whatever—that will help raise the profile of the issue.

**Mr Wonder**—You have presumably seen this. Attached to our submission were a number of other documents—one of which was the submission AFFA made to the Voumard inquiry. It is on page 21 of the submission. Without going over material in any detail, you asked what had happened since 1996. There is a section in the submission headed ‘Access to biological resources—benefit sharing considerations and the national interest’. I do not know whether the committee has that available to them or not, but there would be some additional material there. We will see whether we can provide anything other than what is already in the questions we have taken on notice today.

**ACTING CHAIR**—I do not think we have received evidence of how each state deals with each situation. You must have that in your realm. We know basically, I think, what goes on but we have not received evidence to that effect.

**Mr Wonder**—We can have a look and see what we can find that would help the committee.

**ACTING CHAIR**—And the other questions that you have taken on notice which will help tidy that up. There may be one or two others that we might deal with at our next private meeting. Is there anything else you would like to add?

**Mr Wonder**—I do not think so. On the timing of the committee’s work, when would you be able to advise us what the timetable is?

**ACTING CHAIR**—We have a parliamentary break now. We will be dealing with some issues in July, and then some more visits that we have scheduled to take evidence; then we will be looking at a draft in August.

**Mr Wonder**—If we can help the secretariat in any way during that time, we would be happy to do so and make whatever material available we can.

**Mr Morris**—In general terms, we are very much on the same side in terms of promoting these industries, it is just a matter of what the appropriate vehicles are to promote them. We have a number of general vehicles that we try to use to promote these industries; you might be on the wavelength that you want some specific vehicles. We would be quite interested to see what the committee comes up with in that regard to see whether you propose some specific vehicles. We have tried to promote these technologies as well as other technologies in industries through these general programs, and that is the way we try to do things as we have laid out. We would be interested to see what the committee's views might be on the value of specific programs versus these general ones.

**ACTING CHAIR**—Thank you.

Resolved (on motion by **Mr Sidebottom**):

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 5.57 p.m.**