

# **GENETICALLY MODIFIED CROPS MANAGEMENT ACT 2004 REVIEW**

## **REPORT OF THE GENETICALLY MODIFIED CROP ADVISORY COMMITTEE**

### **RECOMMENDATIONS**

1. That the *Genetically Modified Crops Management Act 2004* be retained.
2. That the South Australian government endorse the NACMA Market Choice & Access Plan as a way of achieving the desired nationally consistent approach to market and trade issues.
3. That the cultivation of GM canola in South Australia other than on Kangaroo Island be permitted following the expiration of the *Genetically Modified Crops Management (Designation of Areas) Regulations 2004* on 29 April 2008.
4. That the cultivation of InVigor<sup>®</sup> canola and Roundup Ready<sup>®</sup> canola be prohibited on Kangaroo Island until 31 March 2010, pursuant to Section 5(1)(a) of the *Genetically Modified Crops Management Act 2004*.

### **INTRODUCTION**

A review of South Australia's *Genetically Modified Crops Management Act 2004* must be undertaken by 29 April 2008.

A media statement announcing the commencement of a review was released on 28 June 2007. In addition to the media announcement, an advertisement inviting comment was published in the Weekend Australian and the Advertiser on 7 July 2007, in major regional newspapers in the week commencing 9 July 2007 and in the Stock Journal on 12 July 2007. A second media announcement regarding public meeting dates and locations was released on 9 July 2007.

Letters were sent to over 200 organisations and individuals known to be interested in the review informing them that the review had commenced and inviting them to comment. An Invitation to Comment and an Information Paper regarding the review were published on the PIRSA Internet site.

Community meetings were held in Adelaide, Cummins, Kadina, Keith and Parndana to explain why the review is being conducted and to help people understand the issues that the review is addressing.

The initial closing date for lodging submissions was 3 August 2007. An extension of the closing date to 17 August 2007 was announced on 31 July 2007. Submissions were received from 138 individuals and 76 organisations by the time the deadline passed. More than 500 "campaign" letters were also received.

Davidson Viticulture was engaged by the Genetically Modified Crop Advisory Committee (the Advisory Committee) to distil the key messages from the

submissions. This analysis, which was published on PIRSA's Internet site, helped the Advisory Committee determine its recommendations regarding the regulation of GM food crops in South Australia beyond April 2008.

## **BACKGROUND**

The Commonwealth's *Gene Technology Act 2000* established a national co-operative regulatory scheme for gene technology that seeks "to protect the health and safety of people and to protect the environment by identifying risks posed by or as a result of gene technology, and by managing those risks through regulating certain dealings with GMOs".

In accordance with this Commonwealth / State regulatory framework, States and Territories can regulate GM crops where there are risks to markets and trade, as these are not addressed as part of the national regulatory process.

The Commonwealth's Office of the Gene Technology Regulator (OGTR), which manages the national regulatory scheme, approved the commercial release of InVigor<sup>®</sup> GM canola (Bayer CropScience) and Roundup Ready<sup>®</sup> GM canola (Monsanto Australia) in 2003 after concluding that these canola varieties posed no greater risk to human health or the environment than conventionally bred canola.

In 2003 / 2004, most State and Territory governments concluded that the timing was not appropriate for the commercialisation of the two varieties of GM canola and subsequently introduced prohibitions on the cultivation of either GM canola or GM crops, for various lengths of time. Queensland and the Northern Territory were the exceptions.

The *Genetically Modified Crops Management Act 2004* (the Act) gave effect to the South Australian Government's commitment to regulate the cultivation of genetically modified crops in South Australia to protect the State's markets.

The Act was drafted to reflect a recommendation of the South Australian House of Assembly Select Committee on Genetically Modified Organisms that the commercial release of GM crops into South Australian agriculture only be permitted when "*coexistence to meet market demands for different classes of crops and products, eg GM free, non-GM and GM, can be guaranteed by industry through the establishment of rigorous and cost effective segregation and identity preservation systems throughout the total production and supply chain*".

The Act, which commenced on 29 April 2004, provides for:

- The designation of areas of the State for the purposes of preserving for marketing purposes the identity of certain food crops according to whether they are genetically modified crops or non-genetically modified crops;
- The segregation of genetically modified food crops and their products in appropriate cases;

- Associated regulatory powers, to provide certain protections with respect to the spread of genetically modified plant material.

At this time, GM food crops cannot be cultivated anywhere in South Australia, by virtue of the *Genetically Modified Crops Management (Designation of Areas) Regulations 2004*). These regulations expire on 29 April 2008, which is the fourth anniversary of the commencement of the Act.

Pursuant to Section 29 of the Act:

- (1) The Minister must, within 4 years after the commencement of the Act, cause a review of the Act to be undertaken.
- (2) The outcome of the review must be incorporated into a report and the Minister must ensure that a copy of the report is laid before each House of Parliament.

In accordance with the requirement to review the Act, the Advisory Committee sought the views of stakeholders on:

- The policy framework i.e. is the Act required and /or are there alternative ways to deliver the objectives of the Act;
- The operations of the Act; and
- The regulation that prohibits the cultivation of GM food crops in South Australia.

The abovementioned Select Committee recommended that the Kangaroo Island and Eyre Peninsula communities be provided the opportunity to establish their regions as GM crop free areas for marketing purposes. The views of stakeholders on the matter were also invited, given that the regulations that prohibit the commercial cultivation of GM food crops in South Australia expire on 29 April 2008.

Stakeholders were informed that:

- There has been a considerable amount of new information relating to marketing issues since the Act commenced and the cultivation of GM food crops was prohibited. Utilising this information in the preparation of submissions was encouraged.
- Issues such as the health and environmental impacts of a genetically modified organism, food safety and food labelling were outside the scope of the Act and, therefore, the review and comment on them would not be taken into consideration.

On 27 April 2006, the Report on the Review of the Commonwealth *Gene Technology Act 2000* was tabled in the Australian Parliament, after approval by the Gene Technology Ministerial Council (GTMC). The GTMC considered the Review Panel's recommendations (items 9.1 and 9.2) on a national framework for co-existence of both non-GM and GM crops to address market considerations and referred this issue to the Primary Industries Ministerial Council (PIMC) for consideration and advice, by the end of 2007.

The Victorian and New South Wales governments are in the process of reviewing their regulatory regimes for GM food crops. It is anticipated that the reports arising from the South Australian, Victorian and New South Wales reviews will assist PIMC when it discusses a nationally consistent approach to GM food crop market considerations later this year.

## **DISCUSSION**

### **Overview of Responses to the Invitation to Comment**

As already stated, 213 submissions had been received by the time the deadline passed. There were:

- 9 from individuals and 3 from organisations on Kangaroo Island;
- 33 from individuals and 3 from organisations on the Eyre Peninsula;
- 51 from individuals and 16 from organisations from the remainder of SA;
- 36 from individuals and 5 from organisations in other States – mainly Victoria;
- 32 from national organisations;
- 17 from companies; and
- 9 from individuals who did not indicate where they resided.

While the intention of the Act is to regulate all GM food crops, it has impacted only on the commercialisation of GM canola, as GM canola is the only GM food crop approved for commercial release by the OGTR.

The analysis of submissions undertaken by Davidson Viticulture records, among other things, that:

- Most submissions did not refer in a systematic fashion, if at all, to the Act. Submissions that did refer to the Act generally took the view that it should be retained so that the government retained the ability to regulate commercial developments of GM crops.
- There is significant support for Kangaroo Island (KI) to remain GM free into the foreseeable future. Apiarists, in particular, want KI to remain GM free, while farmers support the status quo for another two years before further review. A strong argument put by most KI respondents (growers, tourist industry and the KI Development Board) was that the Island's market opportunities and reputation for "pure foods", especially organic honey, would be seriously impacted by any introduction of GM crops.
- Two thirds of Eyre Peninsula respondents favour lifting the moratorium on GM crops on the basis of opening up marketing and trade opportunities and a very clear desire "not to be left behind". Many submissions referred to current market information, commenting particularly on the lack of premium for non-GM crops. These people see the Eyre Peninsula, and South Australia, as suffering a major competitive disadvantage if the moratorium continues.
- The preference of individuals elsewhere in South Australia and interstate is to maintain the status quo. Generally, these respondents do not support

the production of GM food. Their comments ranged widely across health, genetics, contamination and philosophical areas. Few addressed current market and trade circumstances and knowledge.

- Submissions from individuals or farming enterprises that addressed market and trade issues were generally well referenced and made the following points:
  - Premiums for non-GM canola do not really exist. Further, the financial benefits that are reported to exist with non-GM canola do not take into account the better gross margins that can be obtained with GM canola production.
  - Markets already exist for both GM and non-GM canola products.
  - Consumers and producers/farmers must have choice.
  - The grains industry is able to segregate GM and non-GM grain and, in so doing, minimise the risk of contamination.
- Submissions from the grains industry<sup>1</sup> are cross-referenced to the specialist reports by ABARE as well as to international reports and internal industry reports. The Industry stresses its ability to maintain acceptable segregation between GM and non-GM grains, and its ability to manage requirements to different markets – particularly Japan and Europe where there is a greater sensitivity to GM imports.
- Seed suppliers, whilst having a clear commercial interest, express the ability of that industry to manage supply and distribution of seed under strictly regulated conditions.
- Submissions from three food companies that specifically market organic produce, from the Biodynamic and Organic Agricultural Bureau and from the Organic Federation of Australia express concern about loss of markets and contamination of their produce by GM crops.
- Submissions on behalf of the dairy and stockfeed industries recommend the lifting of the moratoria on South Australian GM food crops, believing that Australia has the regulatory and supply chain processes to effectively manage any market concerns or requirements.

## **Issues of interest**

The Invitation to Comment highlighted a number of issues of interest:

### **a. The purpose and objectives of the Act**

1. Whether the conditions that resulted in the Act are still present and valid?

If still present and valid, in full or part:

- Are the objectives of the Act still valid? If not, how should these be changed?
- Are there alternative approaches to legislation that could achieve the desired outcomes?

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<sup>1</sup> Includes technology developers, the seed industry, farmers, transport organisations, handling and storage facility operators, marketers and processors.

If not, should the Act, in full or part, be retained?

2. The definitions in the Act and whether they are adequate for the scope and operation of the Act.

**b. The operation of the Act**

3. Whether the powers of the Act are adequate.
4. Whether the regulatory requirements are commensurate to the level of risk; and whether the enforcement of compliance is effective and appropriate to the circumstances; and whether compliance and administrative costs are reasonable and justified compared to the benefits achieved. .
5. The administration of the Act. Among other things, stakeholders could identify any need for, and ways to achieve, improvements in its consistency, efficiency and operation, including the provisions for community consultation and for provision of public information.
6. Global developments in biotechnology, including emerging trends in regulation, and whether the regulatory system stipulated by the Act is flexible enough to accommodate changing circumstances.
7. Amendments to the Act, or alternatives to legislation, which might improve the effectiveness, efficiency, fairness, timeliness and accessibility of the regulatory system.

**c. The regulation that prohibits the cultivation of GM food crops in South Australia**

8. Whether the regulation is still required – stakeholders should consider whether the reasons for a prohibition are still valid.
9. Whether co-existence strategies for GM and non-GM food crops that have been developed will enable participants along the supply chain to competitively meet the requirements of their chosen market.

**The purpose and objectives of the Act**

As indicated above, the Act was put in place due to concerns about market access and trade issues and whether the industry was ready to manage GM and non-GM crops. The review called for comments on whether these concerns were still valid and whether there were alternative approaches to legislation to addressing them.

There was general agreement amongst industry responses to the Invitation to Comment that, in relation to canola, the concerns about market access and the industry's ability to manage market choice are no longer valid. Many responses referred to studies by independent authorities such as ABARE and reports commissioned by the Commonwealth Department of Agriculture, Fisheries and Forestry, in industry studies and in individual company submissions as evidence of this.

In general, those supporting the removal of the canola moratorium also felt the Act should be removed, whilst those who were opposed to the removal of moratorium wanted the Act to remain.

A few commented on the issue of crops other than GM canola and highlighted that there was a need for a framework in which trade and market issues were addressed prior to the commercial release of GM crops.

In August 2007, the Australian grains industry, identified under the Single Vision Grains Australia banner, released a comprehensive plan outlining the entire supply chain's ability to meet canola market needs. "Delivering Market Choice with GM Canola"<sup>2</sup> identifies the protocols, processes and practices to manage the commercial introduction of GM canola. The plan identified the following elements that need to be in place:

- OGTR approval.
- Approvals in key importing and exporting countries.
- Adventitious presence levels established in Australia and in key importing and exporting countries.
- Capability to manage market choice requirements.

While these elements are all in place for GM canola, no other GM food crops have, as yet, been submitted to the OGTR for approval.

Respondents submitted a range of views on whether the Act was required or not.

A number supported the removal of the Act on the basis that market issues should be left to industry and the market to manage and therefore, there is no justification for the Act. Several noted that this was consistent with the PIMC position determined on 7 May 2002 – that risks to agricultural production and trade should be regulated by industry, supplemented by government monitoring – and with the Gene Technology Act Review Panel, which commented that it was "most unusual for States to intervene in the agricultural market in this manner and this type of intervention would usually only be taken when there is strong and compelling evidence of a market failure."

Others felt that there was a need for a process to manage market and trade issues, but that this should be done by industry. It was noted by several respondents and outlined in the National Agricultural Commodities Marketing Association (NACMA) submission that NACMA is implementing a Market Choice and Access Plan<sup>3</sup>.

Another group felt that the Act plays an important role in ensuring that GM crops are only released for commercial production once the market is satisfied

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<sup>2</sup> *Delivering Market Choice with GM Canola* can be downloaded from [www.afa.com.au](http://www.afa.com.au)

<sup>3</sup> The Plan can be viewed at [www.nacma.com.au](http://www.nacma.com.au)

that there will not be trade disruption and should be retained, at least until the industry process is endorsed by Government and implemented.

Those opposing the removal of the canola moratorium expressed support for the Act remaining to protect markets

A common view expressed by a number of submissions was the need for a national approach and consistency across jurisdictions.

As outlined in the section below on the canola moratorium, it has been concluded that the cultivation of GM canola should be permitted. However, in relation to future GM crops, there would appear to be a requirement for a process to manage market and trade issues.

Those submissions that commented on an alternative felt that this should be national, industry managed and have the endorsement of Government.

Thus, there are three broad options that can be considered:

1. The Act is removed and market issues are left to the industry to manage.
2. The Act is kept, but the SA government endorses the NACMA Market Choice & Access Plan as a way of achieving the desired nationally consistent approach to market and trade issues
3. The Act is kept.

Option 2 provides the SA Government with the ability to reassure the community that implications of future GM crops will be assessed before allowing commercial production and the ability to take action by means of regulation if the industry is not able to demonstrate that a future GM crop can be managed. Option 2 also provides the technology sector and industry with certainty that future GM crops can progress to commercialisation and, in doing so, encourage investment in research and development.

The NACMA Market Choice & Access Plan details the process that NACMA will put in place to manage the commercial introduction of GM crops in a manner that maintains or enhances trade. It is the view of the Advisory Committee that the Plan:

- Gives certainty and confidence to supply chain participants and consumers that GM crops and their products will co-exist with established and future grain products.
- Builds on the comprehensive and world-class protocols and processes that already operate in the Australian grains industry to enable grains and oilseeds to meet customer and regulatory market specifications.
- Provides federal, state and territory governments with an Australian grains industry consultative decision making process that can give confidence that market choice issues have been addressed without the requirement for regulation.

The core implementation elements of the Plan are:

- A Market Choice Committee;
- Tools to assist such as the standards setting process and information resource;
- Reporting and review.

The Market Choice Committee (MCC) would be an independent expertise based committee established under NACMA with responsibility for the review of potential GM crops against the market choice criteria prior to commercial release. Its functions would include:

1. Conducting market reviews to identify countries where approvals and standards are required.
2. Ascertaining that approval for food and feed importation and consumption in identified customer countries had been obtained.
3. Confirming that adventitious presence (AP) thresholds are established for the unintended presence of GM product, both in Australia and within importing countries.
4. Determining supply chain ability to provide product traceability and verification; and contingency plans.

NACMA has foreshadowed that endorsement of the plan by the Primary Industry Ministerial Council will be sought. It is the view of the Advisory Committee that the NACMA plan is worthy of consideration as a way of achieving the desired nationally consistent approach to market and trade issues.

### **The operation of the Act**

Few respondents addressed this section in other than general terms. One respondent that has an exemption allowing it to cultivate GM canola in South Australia commented that the processes involved in applying for and gaining exemptions to carry out fieldwork are well organised, well managed and carried out in a very timely manner. However, the company would prefer that the GPS coordinates for trials sites not be published on the Internet.

Most comment under this heading was in relation to global developments in biotechnology. Submissions from many grains industry organisations and companies highlighted that:

- In 2006, 10.3 million farmers planted 177.7 million hectares of GM crops in 22 countries (<http://www.isaaa.org/>). Since GM crops were first commercialised, in 1996, adoption has increased worldwide at around 12% each year.
- In North America the proportion of the soybean crop that is GM has risen to over 90%, the maize crop is 75% GM and canola is 70% GM.
- GM technology has also been widely adopted in developing countries in Asia and Africa, where pest tolerant crops are greatly improving the

security of food supply and hence political security. The most rapid increase over the past few years has been in India and China.

- Even Europe, where the main opposition to GM crops originated, GM crops are now grown in Germany, France, Spain, Portugal, Czech Republic and Slovakia.
- Adoption of GM crops has not impacted on trade and market choice for these products in domestic and/or export markets. International trade in GM crops has increased each year since their introduction.
- Adoption of GM crops has not impacted on the ability of GM crops to coexist with non-GM or speciality crops.
- A number of independent studies have been conducted on the impact of the introduction of GM canola on Australia's ability to continue to access its overseas markets. These studies have all, unequivocally and without exception, concluded that Australia's access to export markets is at low risk if GM canola were grown commercially in Australia, ie would either not be affected or only minimally affected. On the other hand, studies have also suggested that Australia's competitive and sustainable position will be compromised if GM crops are not introduced as new tools and options for farmers.
- Canada grows about four times more canola than Australia and the adoption of GM varieties continues to increase. Canola exports, on average, have continued to grow including into Australia's primary canola markets - Japan, China, Pakistan and Bangladesh. This indicates that Australian GM canola would continue to access the same markets the canola industry is currently trading with.
- There is limited evidence of price premiums for organic and certified non-GM canola and the markets for these canola types are still very much niche markets. Traditional import markets for canola – Bangladesh, China, Japan, Mexico and Pakistan – accept GM canola as readily as conventional canola at a similar price.
- While it is difficult to determine whether the possibility of unintended presence of GM canola in wheat and barley would jeopardise markets for those grains, there has been no change in major export destinations for wheat following the introduction of GM crops in both America and Canada with no evidence that exports have been lost as a result of the adoption of GM soybean, corn and canola varieties.
- Developments in GM technology and other aspects of plant breeding have been and continue to be rapid. The moratoria have not allowed the Australian grains industry to respond to these developments.

These objective realities are often ignored in mainstream media's coverage of GM issues.

### **The regulation that prohibits the cultivation of GM food crops in South Australia**

The main industry participants are agreed that there is no impediment to the commercialisation of GM canola.

The canola industry already successfully manages choice from the farm through to grain handlers and consumers with the current segregation of products such as specialty canola with different oil profiles, condiment mustards and canola quality *Brassica Juncea*. The development of industry standards for adventitious presence (AP) of GM canola seed (Australian Seed Federation) and grain (Australian Oilseeds Federation) have assisted in facilitating trade and market choice in an environment where GM, non GM and specialty production systems and products coexist.

GM canola may be used as hay and meal for stock feed. In its submission, the Stockfeed Manufacturers Council of Australia advised that the Australian stockfeed industry already manages imported GM material as well as non-GM material to the satisfaction of the domestic end users of animal feeds.

The Australian Dairy industry, in June 2007, endorsed a pro-choice GM position allowing the growers and marketers to decide if they want to use GM, acknowledging feed supplies already include Australian GM cotton and imported GM ingredients to meet stockfeed specifications and market requirements.

According to the Australian Food and Grocery Council (AFGC), the diversion of food crops to the production of bio-fuels has resulted in an increase in input costs for ingredients used in food manufacturing. Canola oil is a specific case where, but for the current robust exchange rate of the Australian dollar, those input costs would now be passed on to the consumer.

While neither promoting nor defending gene technology *per se*, AFGC:

- Supports the regulatory processes applied by the Office of the Gene Technology Regulator, which provide appropriate assessment and safeguards for the approval of crops using gene technology for use in Australia.
- Supports the approval by FSANZ of foods produced using gene technology following rigorous evaluation using the best available science.
- Supports the current information and labelling regime for foods produced using gene technology, contained in the Food Standards Code (Standard 1.5.2 – Food Produced Using Gene Technology), which ensures consumers are provided with independently verified factual information and appropriate label information that enables them to make their own informed choices.

Together, these provide a framework within which AFGC believes companies and individuals can make their own independent commercial decisions.

Opportunities exist to combine the efficiency of hybrid canola varieties with specialty oil traits in order to deliver healthier oils and food products to consumers at an efficient and competitive production rate. In 2005, the CSIRO Food Futures Flagship announced a breakthrough in developing plants containing a healthy omega-3 oil component, normally only available in

significant amounts from fish sources and vital for human health, representing an opportunity for providing new high value crops in the future.

In its submission, the Molecular Plant Breeding Cooperative Research Centre (MPBCRC) emphasised that segregation has played an essential role in production of wheat for a number of years. Australia currently segregates many different varieties of wheat and gains many benefits from doing so.

According to MPBCRC, the key issue is tolerance levels. Admixture between crops is an industry reality. As no food is 100% pure – even organic – tolerance levels are generally accepted. Simple measures such as buffer zones between GM and non-GM crops and reasonable care with harvesting, transportation and storage should ensure such tolerance levels are met. It is MPBCRC's view that coexistence of GM and non-GM canola is possible where agreed tolerance levels are established.

Industry believes that the Australian grain handling system is technically and commercially capable of meeting a range of market demands based on established tolerance levels (AOF and ASF) if GM canola were made commercially available to Australian farmers. The ABARE report on identity preservation concludes that while there will be costs involved in managing GM grains through the grain supply chain such costs appear "modest and manageable."

Findings are supportive that conventional, GM and organic farming systems can co-exist and produce food that meets the standards of both our domestic and international trade markets. Provisions of the Australian organic certification standards require that organic production is isolated from the production of non-organic products, including GM canola. ABARE concluded in a recent report that GM canola if, commercialised, would have negligible direct impacts on organic production in Australia.

Some respondents were concerned about liability issues arising out of GM crop cultivation. These issues have been exhaustively examined and the consensus of opinion is that common law is adequate to deal with any issues arising from GM cultivation.

The requirement of the House of Assembly Select Committee on Genetically Modified Organisms that the commercial release of GM crops into South Australian agriculture only be permitted when "*coexistence to meet market demands for different classes of crops and products, eg GM free, non-GM and GM, can be guaranteed by industry through the establishment of rigorous and cost effective segregation and identity preservation systems throughout the total production and supply chain*" seems to have been satisfied with respect to GM canola.

On this basis, there is no justification for regulations that prohibit the cultivation of GM canola in South Australia generally following the expiration of the *Genetically Modified Crops Management (Designation of Areas) Regulations 2004* on 29 April 2008.

The economic benefit of allowing the cultivation of GM canola to proceed in South Australia is significant.

Canola plays an important role in the Australian farming system. In addition to being an economic crop for farmers, it is the most important break crop used in winter crop rotations. Canola delivers benefits through weed control and disease management options. However, according to the Australian Oilseeds Federation, declining yield for Australian canola has become a significant issue for the industry. Five year average yields for Australian canola have declined from 1.47t/ha in 1996/97 to 1.19t/ha in 2005/06.

Reasons for the decline in yields include several dry years and increased disease pressure. While growers have indicated a preference for herbicide tolerant canola, as evidenced by the rapid adoption of Triazine-tolerant (TT) canola, there are yield and oil content penalties associated with these varieties. Triazine chemicals are also less friendly to the environment and pressure to phase them out is building internationally.

In Australian Commodities (Vol 13, No 3)<sup>4</sup>, ABARE concluded “A continuance of the current moratoriums and extension to other transgenic broad acre crops, is expected to result in loss of gross national product of \$3 billion, in net present value terms, over the next ten years”. Benefits attributed to GM canola<sup>5</sup> include:

- Sowing earlier due to better weed management options;
- Decreased herbicide use [640 tonnes less triazine herbicide per annum];
- Increased yield of 295,000 tonnes per annum [from 1.27 tonnes to 1.38 tonnes per hectare]; and
- 20% increase in yield for wheat crops following rotation with canola.<sup>6</sup>

These benefits could generate an additional A\$135 million to the wheat and canola industries annually.

Opponents of the technology claim the increased profitability and other benefits resulting from GM canola are overstated. The counter argument is that growers will not incur and maintain the additional expense of using GM varieties if they cannot achieve increased profitability and/or improved management flexibility. The fact that over 80% of the Canadian canola crop is planted to transgenic varieties suggests growers are seeing substantial benefits from these characteristics.

It is also worth noting that Bayer CropScience, which has conducted trials with GM canola in the South East since 1996, has scaled back its research and development investment in South Australia significantly as a consequence of the prohibition.

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<sup>4</sup> [www.abareconomics.com/publications\\_html/ac/ac\\_05/ac05\\_sept.pdf](http://www.abareconomics.com/publications_html/ac/ac_05/ac05_sept.pdf)

<sup>5</sup> Dr Rob Norton, *Conservation Farming Systems and Canola 2003*

<sup>6</sup> *Market Acceptance of GM canola ABARE Report 07.5 March 07, p17*

## **Enduring status of Kangaroo Island**

On the basis of responses to the Invitation to Comment and other evidence, it is considered appropriate that Kangaroo Island remain an area in which the cultivation of GM canola is prohibited, for at least the next two years. This will require the promulgation of an appropriate regulation pursuant to Section 5(1)(a) of the *Genetically Modified Crops Management Act 2004* before the *Genetically Modified Crops Management (Designation of Areas) Regulations 2004* expire on 29 April 2008. It is the view of the Advisory Committee that the situation should be reviewed again by 31 March 2010.

It is important that if the Kangaroo Island community understand what is required in delivering a GM free product under the definitions of the Australian Competition and Consumer Commission and importing countries. GM free generally implies a process assurance. It needs to be recognised that currently in Australia canola seed suppliers will only guarantee that certified canola seed contains less than 0.5% GM material. Thus, if the cultivation of GM canola is prohibited on Kangaroo Island beyond 29 April 2008, Kangaroo Island canola should only be marketed as non-GM canola.

## **Enduring status of Eyre Peninsula**

On the basis of responses to the Invitation to Comment and other evidence, there is no justification for Eyre Peninsula to remain an area in which the cultivation of GM canola is prohibited once the *Genetically Modified Crops Management (Designation of Areas) Regulations 2004* expire on 29 April 2008.

Anne Levy  
Chair  
Genetically Modified Crop Advisory Committee

24 October 2007