



Australian Government
Productivity Commission

PRODUCTIVITY COMMISSION

INQUIRY INTO REGULATION OF AUSTRALIAN AGRICULTURE

MR P LINDWALL, Presiding Commissioner
MR K BAXTER, Commissioner

TRANSCRIPT OF PROCEEDINGS

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MR LINDWALL: Good morning everyone. Welcome to the public hearings of the Productivity Commission Inquiry into regulation of agriculture. My name is Paul Lindwall. I am the presiding Commissioner on the inquiry and my fellow Commissioner here is Ken Baxter.

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The inquiry started with a reference from the Australian Government late last year and covers the regulations that have a material impact on the competitiveness and productivity of Australian agriculture. It is examined regulations at all levels of government - federal, state and territory and local governments. We've released an issues paper in December last year and have talked to a range of organisations and individuals with an interest in the issues. We released a draft report on the 21st of July after the election campaign and have received over a hundred submissions and more than a thousand personal responses and views since the release of the issues paper. We're grateful to all of the organisations and individuals who have taken the time to meet with us, prepare submissions and appear at these hearings.

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The purpose of the hearings is to provide an opportunity for interested parties to provide comments and feedback on the draft report. Today's the first hearing for the inquiry. We'll be conducting hearings in Melbourne tomorrow, Wagga on Thursday, Sydney on Friday, Canberra next Monday, Toowoomba on Tuesday 23 August, Brisbane on 24 August and Townsville on 25 August. Formal submissions to the draft report are invited, particularly by the end of August. We'll be then working towards completing a final report to be provided to the Australian Government on 15 November. Participants and those who have registered their interest in the inquiry will automatically be advised of the final reports released by the government which may be up to 25 parliamentary sitting days after completion.

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We like to conduct all hearings in a reasonably informal manner but I remind participants that a full transcript is being taken. For this reason, comments from the floor cannot be taken but at the end of the day's proceedings I'll provide an opportunity for anyone who wishes to do so to make a brief presentation.

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Participants are not required to take an oath but are required under the *Productivity Commission Act 1998* to be truthful in their remarks. They're also welcome to comment on the issues throughout raised in other submissions. The transcript will be made available to participants and will be available from the Commission's website following the hearings. Commissions are also available on the website. For any media representatives that are attending today some general rules apply. Please see one of our staff for a handout which explains the rules.

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5 To comply with the requirements of the Commonwealth Occupational
Health and Safety Legislation you're advised that in the unlikely event of
an emergency, you should just follow the exit signs and use common
sense, I suppose, and any floor warden's instructions. If you believe that
you are unable to walk - I don't think there are stairs here anyway, no - it
is important to advise the wardens. You are invited to make opening
remarks, preferably not more than five minutes but if you are, we're fairly
flexible about that. And keep the opening remarks brief will allow us the
10 opportunity to discuss matters in greater detail.

Now I'd like to welcome Chris Tallentire. Welcome Chris.

15 **MR TALLENTIRE:** Thank you, Commissioners. I'm Chris Tallentire
and I'm Shadow Minister for Environment and Climate Change here in
Western Australia and I do have an agricultural background. In the '90s I
studied at URESC Institute of Agriculture, then part of Curtin University,
and took a second-class honours in Agribusiness and I think it's from that
background that I have developed a passionate interest in the maintenance
20 of native vegetation in a productive agricultural landscape and that's why
I am concerned on my viewing of the draft report that there's a view that
regulation around the protection of native vegetation is a hindrance to
productive, profitable agriculture.

25 I would put it to the Commissioners that it's actually the other way
around. That a good, healthy ecosystem is what underpins a productive
agricultural landscape. That we need to make sure we maintain good
biodiversity levels, good soils and do all we can to avoid the massive land
degradation that we've already seen in Western Australia and I only have
30 to ask Commissioners to look out the plane as you fly in from the east and
look down at our 18 million hectares, or the bit that you would see - the
transect that you would see of our 18 million hectares, and look at how
little there is left in the way of native vegetation - until you reach the
Darling Scarp area. Now that means that we've got a massive problem.

35 For a long time we were able to get away with producing big
quantities of grain without problems and indeed, I think this year we may
be headed towards another 13/14 million tonne harvest. That's fantastic.
But there's a sleeping giant of a problem that has, in many ways, slipped
40 out of public consciousness. It's the issue of salinity. Of a rising ground
water table that's pushing up salts to the surface and, for a large part of the
90s and the early 2000s, government was intent on responding to this
issue with a regulatory framework around land clearing and with various
structures to encourage people to rehabilitate the landscape and we had a
45 State Salinity Council and then that morphed into a Natural Resource

Management Council to encourage people to do the rehabilitation work. But unfortunately other issues have moved on and it has slipped out of the public's mind, in many ways, the issue of salinity.

5 Yet the reports, and I would hope that the Department of Agriculture and Food is presenting to you. If not, I'm deeply disappointed but that's a reflection on the priorities of the government of the day. Because the Department of Agriculture, they, in 2013, they gave an update on the state of our sustainable natural resources in a report card on Sustainable Natural
10 Resource Use In Agriculture 2013.

 They say that WA farmers already forego \$344M every year from land loss to salinity with up to 4.5 million hectares of productive agricultural land currently under threat. We know that from studies done
15 in the early 2000s, the late 90s, that there were projections that of the 18 million hectares of the wheat belt that we could lose as much as a third to salinity. So this gets us to the core issue. How do we actually encourage people, incentivise people, to treat bushland areas on their properties as assets?

20 Now, one of the facts is that if you do have a property adjacent to bushland, the chances are it's going to be having a positive impact in terms of livestock growth rates. It's going to act as a shelter belt in some ways. It probably will mean that the water quality in your dams is better.
25 The amount of soil erosion that you incur will be reduced. So, there are those benefits that are sometimes difficult to quantify but nevertheless recognised and I think there's a lot more that could be done in the way of study to appreciate that.

30 But how do we share the benefit of that? How do we share what may be perceived as the cost of those bushland areas across a whole range of farmers - property owners, in a particular catchment? That is one of the challenges that I'd love to see the Productivity Commission address. And perhaps there are mechanisms around that can be used to properly
35 incentivise people to do their best as treat a bit of bushland on a property as an asset for their particular property but also for the community and to feel that their satisfactory recompense.

40 Now, if we are in a situation where we can't - we haven't got the economic creativity, the ability to find that incentive mechanism, I don't think the answer is to say, "Well, this is a regulatory burden, this native vegetation protection law, that we should be getting rid of." It's the contrary. Just because we can't find the right mechanism is not the reason
45 to say let's get rid of the regulation.

Now, I'll start and conclude and then hand over to you. I have given Commissioners a copy of land clearance statistics in Western Australia since 2008 when the Barnett Government, my political opponents, came to power. This is only the tip of the iceberg, Commissioners. It shows
5 133,715 hectares of permitted clearing in Western Australia across the state. It's only the tip of the iceberg though because that's the amount of land that permits were issued for.

In addition to that you have areas of illegal land clearing - there's no clear figure on that. But perhaps most frighteningly of all is the area of land, native vegetation that's destroyed as a result of some form of exemption from the permitting system. During the time of the current state government we've seen a lifting of an exemption threshold. If somebody's clearing in certain areas, they can destroy five hectares per year per property without any assessment at all. Without any help, really,
10 15 in terms of what the consequences might be and I think that's a great tragedy.

Also we've changed the rules in terms of the clearing of regrowth vegetation so that if someone can claim that the bushland on their property is as old as 19 years and 364 days old then they can say that's regrowth, I don't need to get a permit. We could be talking about hundreds of hectares of land that's in this category. That regrowth vegetation probably has a very valuable hydrological function in terms of controlling salinity problems.
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So, this issue is as pressing as ever and our best solution at the moment is a satisfactory regulatory framework. I realise that the report is far broader than native vegetation but I was concerned to see that so far,
30 you'd not received much in the way of submission from those who are normally seen as being defenders of native vegetation, advocates for native vegetation. And, therefore, I thought it was important that the West Australian Labour Party made a presentation to you and to make it clear what our position is on this very important matter.
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MR BAXTER: Thank you. Do you mind if I call you Chris?

MR TALLENTIRE: Please do.

MR LINDWALL: And Paul, of course. Well, Chris, thank you very much and we certainly appreciate your presentation.
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I just wanted to clarify a few things about our report into native vegetation. Broadly speaking, and Ken can correct me on this, but we didn't say that we should eliminate the regulation it was more that we're
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trying to get a balance between the public good and the private benefit and the public and private costs and clearly you're right that there is an externality, as we put it in economic terms, of a positive externality from native vegetation to the community in general.

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One of the options we put there is that, in certain cases the government might wish to purchase improved native vegetation outcomes in a particular property. We also, I think, looked at whether there could be a better balance between arbitrary small farms which are requiring a level of offset, or not - depending which state you're in, over a broader area, as long as the overall native vegetation outcome was of similar import.

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But, we also looked at what you'd call "incentive effects" and I think there were some incentive effects where farmers might be discouraged from doing something that benefits environmental outcomes because of regulatory imposts and that's something that's important to bear in mind so, whether we've gone too far in one direction, that's what the whole point of the draft report is and I appreciate that. But what do you think about the idea of governments purchasing environmental outcomes from farmers?

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MR TALLENTIRE: It's a great idea but the reality is governments are not going to have the money to do it. We have approximately eight per cent of the land mass of Western Australia that is in some form of conservation reserve. The reality is that biodiversity exists on private land. We are never going to be able to acquire enough. So that's where we do get to this issue of, just from a biodiversity perspective - and we can come to land degradation as well, having to make sure that private landholders are a part of protecting our natural resource base.

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MR LINDWALL: Yes. Apart from native vegetation and vegetation in general, are there any other solutions you could think of that could improve water salinity or salinity on the farm or reduce salinity?

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MR TALLENTIRE: We've certainly seen usage of deep drainage, for example. Now, there is an issue there that you tend to shift the problem and create water with a very low pH level, very acidic water that then eventually finds its way into the public waterway and so we find degradation of rivers. That is a concern.

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But I think the best way to solve the problem of rising ground water table salinity is deep rooted perennial vegetation. Sometimes people will come up with solutions that aren't necessarily using native vegetation but the ideal scenario would be that yes, we undertake large scale revegetation and sometimes that will be to productive crops and people have looked at

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things like oil mallees. In some areas pine trees work very well. There are various options available - unfortunately they've not happened at the scale that we require - anywhere near the scale. It would be a very interesting exercise to know how much public money has already gone in to the revegetation of the wheat belt. I've certainly been aware of many, many millions of dollars through expenditure of public monies go into this state and it's been fantastic in terms of awareness-raising, community building but when you actually look to see the benefit - ask how many catchments have had their salinity problem reversed - it's very hard to find. There's only a couple in the state, if that. It's a serious problem.

MR BAXTER: Chris, a couple of questions. The figures on land clearing permits - does that cover the whole of the state and therefore include any land that may well be cleared for mining purposes?

MR TALLENTIRE: Yes, it does, yes.

MR BAXTER: If you broke out the figures for mining versus agriculture, does it follow a similar pattern or - what's the difference?

MR TALLENTIRE: This is an area where it's difficult because the current government doesn't provide these figures with any clarity and so as a Shadow Minister with the limited resources that I've got, I've compiled these statistics based on questions on notice that I've put to the Parliament. So, I can't give an exact break down of how much of that is mining versus how much is agriculture.

MR BAXTER: As a Shadow Minister and obviously taking an interest in these matters, what would be your guess if you were to divide these figures up between the mining clearing and agricultural clearing? Is it 50/50, is it 40/60? Where does it sit, roughly?

MR TALLENTIRE: It's probably more like 75/25. But as I say - - -

MR BAXTER: 75 to mining and 25 to - - -

MR TALLENTIRE: That's right. But the real point is, this is just the tip of the iceberg. The government does not report on these figures. We haven't had a State of the Environment Report in WA since 2007. There's no audit of native vegetation but what we've seen is a weakening of their current regulatory framework. So, the amount of illegal clearing that's going on, the amount of clearing through some form of exemption - no-one can tell me how much of that's going on and that's the real problem that we've got because that could be quite massive.

5 **MR BAXTER:** Chris, the second question that I've got flows from a discussion we had with the Department of Lands here in the early stages of the report in which he had indicated that they were having a substantial revision of the land legislation in the state in a hope of simplifying it - making it more understandable and comprehensible in its application.

10 One of the things that came out of that was it seemed to be that, certainly from my point of view that what was happening was, instead of getting all the principles necessarily right, then the focus was actually on the regulatory regimes themselves and our observation from other states is that quite often there's a regulatory regime applied which makes it very difficult for various classes of landholders to adjust to the new requirements under the Commonwealth/states legislation. What's your view of the changes in the land use legislation in this state and its implications for things like native vegetation?

15 **MR TALLENTIRE:** Yes, sure. So we've got to be careful not to talk cross purposes here. The amendments that I think you'll be referring to are proposed for the Land Administration Act and they will primarily be about the pastoral leases. You've got about 500 pastoral leases in WA and they cover, I think it's about 33 per cent of the surface area of the state.

20 **MR BAXTER:** So a reasonably significant area?

25 **MR TALLENTIRE:** Yes, indeed. But we've said that pastoralism, so grazing and one of the key issues that these reforms are focussed on is the fact that you're only allowed - if you hold a pastoral lease you're supposed to graze either cattle or sheep on that lease. I'm certainly in favour of allowing diversification because there are many of those 30 500 pastoral leases that are actually not ideal for grazing and some other activity would be a far better use of that land. Perhaps not all of that - if we're talking about 250,000 hectare pastoral lease there might just be a small area that's ideal for irrigated horticulture. There might be a tourism option. There's all sorts of opportunities. It might be that the pastoral lease is just held for conservation purposes. There's a whole range of uses that could come if we were able to amend the Land Administration Act to allow for that diversity.

35 40 But pastoralism, in itself, in theory, does not degrade the native vegetation on the property. The reality is, it does and we've seen many, many cases of severe over-grazing but in theory the grazing of livestock is done in a way that the native vegetation, along with introduced grasses like buffel grass, is allowed to come back. So we don't actually count 45 pastoralism when we're looking at any of these sorts of permit statistics.

5 Only in cases where a pastoral leaseholder is given a permit - there is a mechanism at the moment under the current act that allows for some degree of diversification and say someone did want to clear 500 hectares for a horticultural exercise - it would be quite a big one - that then that would, I think, show up in these statistics but we haven't had that many of those operations come through.

10 **MR BAXTER:** I've heard, well, that the government is actively moving to convert some of the pastoral leases into freehold which allows some diversification, I presume. Is that true?

15 **MR TALLENTIRE:** I think that's a more controversial issue. I mean people have acquired pastoral leases as leases to somehow roll them into being freehold - suddenly give someone 250,000 hectares - I think we'd have to be very concerned about what the public interest was there.

20 Now sometimes, I think there's a case for a negotiated position where perhaps 50 per cent of the pastoral lease might be added to the conservation estate in exchange for perhaps a modest 10,000 hectare homestead block becoming freehold and then the remaining area being allowed as a lease. There could be arrangements like that. That's all part of a discussion that has to be had while we consider these reforms that are being talked about. That I believe are to come before the parliament in the next few months.

25 **MR LINDWALL:** In our report, on pastoral lease conversions we did say that the holder of the lease should pay a premium price to reflect the new property rights of acquiring. Now, Ken and I visited New Zealand recently and I was struck that some of the pastoral leases being converted were allowed to be converted to freehold as long as a large amount of the land became conservation estate. Is that being thought of here in Western Australia?

30 **MR TALLENTIRE:** I think those negotiations could be considered. But there - there is an issue that suddenly the Department of Parks and Wildlife, which has incredibly limited capability at the moment in terms of actual staff, would have an additional area of land to manage. Maybe it is - I'm quite open to the idea that the current pastoral leaseholder is probably the best person to continue to manage that land but I don't want that pastoral leaseholder to feel that they're compelled to run stock at a rate that is actually degrading the landscape when perhaps we could encourage them to be land managers rather than just grazers of a livestock that is damaging to them.

5 **MR LINDWALL:** Because if you take the normal thinking on, say, freehold land, you would imagine that that has a value and that the farmer or the owner would operate it in such a way that it wouldn't degrade its value. So you would expect that they should manage - so the salinity doesn't rise because that does degrade the value. Why do you think that doesn't happen or is it because most of the degradation is in pastoral leases and in mining or is that not true?

10 **MR TALLENTIRE:** Look, I think we've got to come back to the agricultural region. The 18 million hectares there, that's where we've got various projections saying something between 4.5 million hectares to six million hectares could go saline. So there we've got privately held freehold land and we still have a massive problem.

15 I think the reality is when you're dealing with the natural environment you can have one property higher up in a catchment where you can clear every bit of, say the 10,000 hectares of the farm and have no negative consequences on that farm but the person down lower in the catchment, they're going to cop all the salinity consequences.

20 So, the challenge is, yes it's all a nice theory that private owners will do the best for their private property but we're in a - we have to think on a catchment scale and what happens in one part of the catchment will impact somewhere else in the catchment.

25 **MR LINDWALL:** Sort of like a form of pollution that the person who's operating the pollution should pay for the - - -

30 **MR TALLENTIRE:** That's right, yes, there are parallels to pollution laws and how we would use those.

MR BAXTER: One could argue that, yes.

35 **MR LINDWALL:** Sorry Ken, I was about to interrupt you.

MR BAXTER: No I've got no further questions.

40 **MR LINDWALL:** What about the fact that there is no audit being conducted. Do you know why that isn't - is it considered as too costly? Because the gathering of information is usually a public good.

45 **MR TALLENTIRE:** Indeed. In Western Australia we've had a good history of having State of the Environment Reports. And I think it's just essential through remote sensing technology as well. We could have an annual report on the state of native vegetation in Western Australia which

would then show, for example, going back to the mining cases, where there's revegetation work that's been successful and how much we gain.

5 What the net gain has been - not just where the loss has been. Unfortunately, that work has not been done and I think that's a great shame. I'm sure the government would say that it's just not a priority expenditure but I think it's more than that. I think actually that the current government doesn't want to tell the public the truth about the trajectory of a whole lot of environmental indicators and that's why we've not had a State of the Environment Report since 2007.

10 **MR LINDWALL:** Certainly the gathering of information which can enable you to target interventions in a more precise way is something that would normally be encouraged in public policy.

15 **MR TALLENTIRE:** Absolutely essential. Yes, it gives everyone - it gives the public a degree of awareness and it helps decision makers, policy makers work out what the task is that we've got to tackle.

20 **MR LINDWALL:** Are you generally in favour though, I think you've said that it should be managed in a catchment area so if hypothetically you've got 20 farms in a catchment and one's a very small farm and it's got a lot of native vegetation and one's a large farm and it's got little native vegetation, would you foresee a system that allows farmer A, who happens to be in the small property of lots of native vegetation, do some clearing provided it gets offset in some other farm in the same catchment area?

25 **MR TALLENTIRE:** Look that can be looked at and you have to be looking at particular ecosystem types and things that we're offsetting, like for like. And that's where offset mechanisms do get very complicated. Sometimes an offset is a revegetation project.

30 We need to look at the costs though that are associated. I know that Alcoa have talked about the cost of revegetating in the Darling Range and in the Scarp Area on Jarrah-Marri Forest and they look at something like \$20,000 per hectare for their revegetation work. So we need to look at the cost of - the value of things that we're destroying and what is the return, the annual return per hectare of some of the land where we're destroying native vegetation. It's not that high. So that's some of the thinking that needs to be put in to these decisions.

35 **MR LINDWALL:** You didn't have anything further?

40 **MR BAXTER:** No, I've got no - - -

MR LINDWALL: Did you have anything else you'd like to say Chris about anything else on the report? I think we understand fully where you're coming from in this area.

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MR TALLENTIRE: Look I was just very concerned that we make sure that the other side of things is properly heard.

MR BAXTER: Yes, the one question which goes to the relationship between the Commonwealth and the state. In relation to native vegetation and biodiversity regulations or acts which are now going through various state parliaments. Are you satisfied, as a potential minister, if there was a change of government, about the arrangements between the Commonwealth and the states in terms of native vegetation and biodiversity legislation?

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MR TALLENTIRE: Well, it seems that it's going to delegate everything to Western Australia and - or down to a state level and so we have the one-stop-shop type arrangement. I think there's - I can see an advantage in that for proponents. I can also see that it's going to mean additional workload if we're going to do the job properly at the state level - and I'm concerned about that. I think there are mechanisms, though, in the Commonwealth arrangement, especially the way the Commonwealth legislation works with those - the various triggers - that trigger a Commonwealth assessment. I think there would still be a need to retain elements of that because there are some things that are plainly the jurisdiction of the Commonwealth and there will still be times when a proper Commonwealth assessment is justified.

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MR BAXTER: And presumably you would expect Commonwealth funding to travel with it?

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MR TALLENTIRE: If the workload is being shifted to the state then I think so, indeed.

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MR LINDWALL: Well, thank you very much for coming then, Chris and have a good day.

MR TALLENTIRE: Thank you very much. Thank you.

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MR LINDWALL: Now I believe we've got - let's see - Mike Jones is available? Hello Mike. Mike, if you wouldn't mind saying your name and occupation and what you wish to talk about please.

MR JONES: Yes. Thanks for the opportunity to talk to you. My name is Michael Jones. I'm a Professor of Agricultural Biotechnology at Murdoch University. My background is I have a degree in Natural Sciences - Biochemistry from Cambridge University and a PhD in Plant Biochemistry from Cambridge University. I have worked in the field of science - I'm a researcher - that's in the field of genetic manipulation of plants since 1979.

So I've watched the science develop. I've seen the potential for commercialisation. I've seen commercialisation turning into reality until the present day where 10 per cent of the total world crop are, what is classified as GMOs. And so there is a 20-year history of safe usage and major benefits from their growth.

So yes, the comments - the brief I'd like to make is about the unreasonable regulatory hurdles in Australia for developing GM crops. In particular, the state moratorium because we have a ridiculous system where, for example, there's a growth of GM canola in Victoria and Western Australia but not in South Australia, and, as far as I'm aware, seed from Victoria has to go up via truck through Kununurra and come back down.

I mean, these are just ridiculous situation for a major industry in this country. And of course we have perfectly good Commonwealth regulators in the Office of Gene Technology Regulation and in FSANZ and there's really no need to have state-based moratoria based mainly on politics and votes and not on any scientific basis. So my - I would certainly encourage the state government here to repeal the GMO Free Areas Crops Act as soon as possible.

Another comment I'd like to make in relation to this is that, well, that, in fact, all the food that we eat are GMOs. All food that we produce. They're all genetically modified. And so, all wheat that's grown in Western Australia or in Australia or in the US has large chunks of rye chromosomes transferred by cytogenetic means to confer resistance to stem rust and other rust properties.

So that's a GMO for a start. All food that we eat is - conventional breeding involves making new combinations of genetic material. That's genetic manipulation in anybody's language. Mutation breeding where either using gamma radiation or chemical mutagenesis induces breaks in DNA and modifications - completely unknown mostly - at random - of which a few are beneficial. There's no - they're completely accepted as being known GM and being accepted.

5 The organic industry - and you can buy seedless oranges or red grapefruit which are products of mutagenesis which is really atomic gardening. It's a real - if you want to have a frankfurter like this one and that is sold quite happily - there's no fuss, there's no regulation in the EU so this is not a level playing field.

10 Also, for example, you can fuse two complete cells together of species that you cannot cross and make semantic hybrids and again, not classified as GMOs. So the problem is - what is it and it comes down to - we'll come to that. For example, there are also natural GMOs present. There was a beautiful publication in the proceedings of National Academy of Science last year in Belgium where they looked at, I think, it's 291 varieties of sweet potato and they found every single one of those had active genes from agrobacterium tumefaciens in it.

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MR LINDWALL: Sorry, could you repeat that?

20 **MR JONES:** Agrobacterium tumefaciens. So that's crown gall bacterium. All other wild types that they looked at had no genes. So this is a natural GM product and they estimate that this transfer of genes - from agrobacterium, took place in about 8,000 years ago and it is the result of the expression of those genes from agrobacterium which encode plant hormone expression that have made sweet potato potentially a commercial crop. So those point to some of the inconsistencies. So - and I'll come back to that.

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30 But another thing is the regulation at the moment for GMOs is not on the product, but it's on the process. So as you can see, you can have 50 shades of GMOs of different sorts of GMOs but only those which are defined by the OGTR as being a GMO are actually regulated in that way.

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35 And so this is a hiding to nothing because as new technologies just like genome editing come along, the regulators are falling behind the science, and you cannot regulate the process, you must regulate the end product, and it should be a level playing field whether it's produced by conventional breeding or any other method.

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40 They should all be dealt with in the same manner, the same health and safety issues. Because if you don't do that all the benefits, including things, for example, like solving problems with salinity and growing crops on saline land, because we've heard there are field experiments in Western Australia ironically from - of work from South Australia because they can't do the work - field test there - going on on salinity tolerant cereals at the moment. So that's one example of the result of the current regulatory system.

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5 So what we have here is a scientific paradox, that the less we know about something and the less we know, the more precise the technique of genetic manipulation, the less it's regulated. And the more we know, with good science about a gene's underlying trait, and we know, we've looked every which way, from a safety, from what they do, for over expressed, if they're knocked out in salt, then it's highly regulated.

10 So to be honest, from a scientific point of view, it doesn't make any sense and it should be exactly the other way around. Where you know less about something you should take more care and when you know more about something, in fact you don't need to be quite so specific.

15 So what this means is that there needs to be a review of the definition of what a GMO is because it's now outdated by 20 or 30 years and, as I said, there's a complete spectrum of greyness of some things which are defined as GMO and of what is not defined as GMO but is clearly genetically modified.

20 Perhaps, just as an aside, I mean in the human genome there are more genes of viral origin than there are of vertebrate origin which just shows you that genetic - transfer of genetic material between organisms is a quite normal event and, as I said also from that sweet potato example.

25 So, we need a review of the definition of GMOs to make it a level playing field and to make any decisions based on science and not on other aspects. My view also is that science and technology can, and is able to deliver food sustainably for 10 billion people from 2050 and beyond so the science and the technology, not only GMOs but a whole range of different technologies coming in like vertical farming, like urban farming, 30 drones, Sundrop Farms in South Australia - beautiful example of how food production in Australia and any arid areas can be hugely increased. So, it's not going to be the science and technology that will prevent sustainable food production, it's going to be politicians and regulators. If 35 decisions are not made on the best science, that will prevent these technologies and a food supply for future generations.

40 I would add that I see GM crops, in particular, as being very good for the environment because we must increase food production and currently crop lands and if you don't do that then where do you move? You move into the more marginal lands where biodiversity resides.

45 A comment on organic. In general, there is a very thorough review of every crop and every state in the US, just recently come out, in which it was quite clear that organic products produced 20 to 50 per cent less on

the same land area. So that's actually a threat to biodiversity and actually it's environmentally very unfriendly, let alone the fact that if you look at food safety issues, the safest food quite clearly are what's classified now as GMOs, followed by conventional, followed by organic. And there are various reasons for that.

The issue here is about what is defined as a GMO when all food that we eat are GMOs and that's a natural process and at the moment it's subject to politics, to not - and our regulation is not based on science, it's based on all sorts of other things.

MR LINDWALL: Thank you very much, Mike. Now, there are a lot of people who express concerns about GM in a number of areas. If you take it from some people have challenged the science. Some people have challenged the marketing benefits or a price premium for non-GM food. To the extent that though you're talking about the science and we have had people who've challenged the science or said that the science isn't right or that it's been done or funded by a company like Monsanto. What could the government do to better explain or to alleviate community concerns about GM foods and GM products?

MR JONES: Well, one of the issues - and this is debated of course, it is not about the science, it's about perception, it's about politics, it's about feelings but it's not actually about science. You go to debate, mostly people - if you are discussing this, people you are talking to actually don't understand the science. It's quite difficult to do that.

Now, groups like OFTR have information about this and it should take, also, scientists to go out and talk more. Normally they're very busy people who do not - and also if you are a researcher, you have to talk about facts. You have to talk and you can say what the facts are but if you are anti-GM, from my experience, facts don't matter. You can say what you like and get away with it.

For example, you mentioned about Monsanto, but of course there have been anti-GM groups that have funded publications purporting to show dangers from feeding, say, round-up herbicide tolerant maize, funded by anti-GM groups. None of those have been now published in peer review publications.

Some of them have been completely rejected. They will show pictures of rats with tumours - Sprague Dawley rats which actually have been developed for the medical profession to study tumours and by two years old they all get tumours. To argue against pictures which are

completely false of things like that is extremely difficult because that's emotion it's not logic.

5 So those are some of the issues that we have to deal with and I think we just have to keep looking at the benefits and there have been major benefits world-wide. As you have a submission from Crop Life Australia which quantifies the benefits both from 1996 to 2000 world-wide which is absolutely massive benefits to growers and to the public and also in Australia which I can't remember the figures exactly I think it's about 10 US\$135M for GM cotton and canola. I think we have to, as a scientist, all we can do is to give the facts and present those and make logical arguments because in terms of emotions and perceptions well, that's difficult.

15 **MR LINDWALL:** The OGTR we spoke to, and I think they're appearing at a hearing in Canberra, said that they specifically do not have a role in public advocacy, one could argue, but explaining about the benefits of the science. Do you think that they should or should another agency have that type of role?

20 **MR JONES:** Well I think it's important for them to be seen to be independent because I think actually the regulatory system, as far as world-wide is concerned, is quite thorough here and should be seen to be independent and scientifically-based though. There was, for example, 25 Biotechnology Australia was an independent organisation, a government organisation, but that lost funding - I can't remember maybe seven or eight years ago and their job was to follow public opinion but also to present the facts on GMOs and risks and benefits in a non-emotional, logical and clear manner. So I mean I think there is a place for that.

30 **MR LINDWALL:** Does the Office of the Chief Scientist get involved in this type of issue?

35 **MR JONES:** The Office of the Chief Scientist, yes. Our current chief scientist, Dr Finkel I believe.

MR LINDWALL: Yes, that's right.

40 **MR JONES:** Is a proponent for and supports GMO technology and I have heard him talk. He is concerned that science, like CRISPR Cas9, genome editing, he said, well, the regulators and the politicians are not, I haven't seen any talk of that so it means that the people who are making the regulations and politicians are again behind the science and the understanding and the problem with politicians, of course, is they're 45 looking for votes and not concerned with often, at least with reality

certainly in science and certainly in this subject. So I think there is a position - place for an independent organisation.

MR LINDWALL: Thank you.

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MR BAXTER: I'm still pondering as to why the scientific or the science evidence doesn't get the prominence, so I took to reading a case which has my name attached to it but which I have no connection with called *Marsh v Baxter* which occurred in Western Australia and while I've had some legal training it took me a great deal of midnight oil burning to read His Honour's judgment which ran for 200 odd pages.

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I reached the end of that and reached a similar conclusion to you that there was no credible evidence which would justify the position. Now, to my knowledge, that judgment has received very little publicity. The judge seemed to be, as many judges are, totally neutral and without any particular point of view.

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On an issue which is so important to Australia, why is it that there's this non-linkage between credible science and the politicians, aside from the votes, I mean when you look at the two states that have totally mandated GMO which is South Australia and Tasmania are anti-GMO. They're the two smaller states, the two smallest in terms of agricultural production. I'm just pondering why the positive argument doesn't get more publicity.

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MR JONES: As one who has been involved in this field in Western Australia for a long time I can tell you that the press and the media have a lot to answer for because they're not interested in the science, in presenting a balanced view. They're interested in what makes good copy and a good argument, like a good ding dong and so even if the science is like that, one side and the other's like that, you will get equal play for and time and they like to create issues because that sells more papers.

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For example, our experience of the editor of the letters to Western Australian is that they seem to be biased towards anti-GM groups and if you respond and write, the chances of getting something published are very small.

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So there is an issue with the press and the media because they like a good beat up and also, quite often, they may send junior reporters who don't understand the science and so they can't really give a balanced view. I've seen that many times as well. That's one issue and that's quite right that when the final judgment came out, since it didn't go the way for those

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advocating supporting *Marsh v Baxter* then it suddenly disappeared, but the judgment was right.

5 The problem there was that it was really the Organic Certification Body which was - had made a judgment that was wrong but it wasn't a simple case, this was an internationally-backed case to - artificially brought it to bring this issue out and the people there - and so the anti-GM side - it wasn't simply *Marsh v Baxter*, it was an international case - - -

10 **MR LINDWALL:** Like a test case.

MR JONES: Yes, that was tried - an anti-GM case. And so there were a lot of other things involved apart from just the case as one might look at it.

15 **MR LINDWALL:** Okay. Did you have any - - -

MR BAXTER: No.

20 **MR LINDWALL:** One final question, and I'd ask more but we're limited in time about, you said, it would be a good idea to have a review of the definition of GM. Do you have any evidence you could present to us or point to us where you'd say the type of definition that might be more apposite?

25 **MR JONES:** Well I can't at this moment, but I would say that it should be product-based and not methods-based because that's - as I say, all the food we eat is GM, all the wheats, so it's got to be something which says - which relates to the actual product itself, any health and safety issues and not to how it was produced because that's a minefield. And I say with
30 genome editing, we can change, have entirely mutagenesis - you can change sequences without introducing any genetic material and therefore, in the US that's regarded as being non GMO. Unless the definition of what a GMO is, is changed, yes that's going to be a challenge for the regulator in Australia as well so they've got to address this issue.

35 **MR LINDWALL:** Well thank you Mark. If you do have time, as I encourage all participants to put a submission in, that would be most welcome.

40 **MR JONES:** I actually did put one in on Sunday.

MR LINDWALL: Sorry, I haven't seen it yet then but I will look forward to reading it then. Thank you.

45 **MR JONES:** Thank you.

MR LINDWALL: Well, I think we're now moving to Ian Randles, if I'm not mistaken, from the Pastoralists and Graziers Association of WA. Good morning Ian.

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MR RANGLES: Good morning, Commissioners.

MR LINDWALL: Would you like to make a bit of a statement?

10 **MR RANGLES:** Yes, I'll make a very brief statement. My name's Ian Randles. I work for the Pastoralists and Graziers Association as a Policy Officer. Unlike Mr Jones, I'm - rather Mike Jones, I'm not a scientist so I'd beg your indulgence there on scientific questions.

15 My portfolios are livestock, grains and climate change. Our submission, which I'm sure you're familiar with, is really a summary of the issues that I've come across in my six years working with the PGA. I guess you could call it a "log of claims". It does cross over into portfolio areas that I am not familiar with, as such, such as vegetation clearing and I
20 heard Mr Tallentire speak about that this morning.

I did have carriage of the pastoral portfolio when I initially joined the PGA and again, Mr Tallentire touched on that. I haven't been involved in pastoral issues recently. Mr Baxter expressed some interest in the *Marsh v Baxter* case. I attended court almost every day. I did go to the appeal in
25 the Supreme Court and then I went again to the hearing of the Appeal to the High Court of Australia. Mike Baxter is a member of the Pastoralists and Graziers Association so I'm duty-bound to support him in his endeavours. I was happy when that whole process was finished but it shows the limits that people will go to, to press an ideological point. When they're prepared to go to the Supreme Court of Western Australia, then make an appeal to the Supreme Court of Western Australia and then
30 appeal to the High Court of Australia over basically what boils down to growing plants.

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I guess the point I make Mr Baxter and Mr Lindwall, you said, "what can people do? Why don't people speak out? Why don't they say more?" There's a fabulous clip of me on the internet - the world wide web - apparently agreeing with labelling of GMO foods. That was taken
40 without my permission and it's been selectively edited to make me appear that I agree with labelling GMO foods. I don't agree with labelling GMO foods because there's no intrinsic difference between GMO foods and conventionally grown foods. What I do agree with is that if people believe, who sell foods, that labelling will give them a competitive market

advantage then that's their choice to do so but I do not believe that GMO foods should be differentiated by regulation on labelling.

MR LINDWALL: You don't favour mandatory labelling?

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MR RANGLES: I do not favour mandatory labelling but if a seller of produce believes that they can gain a market advantage then so be it and hence the rise of what we see as being organic foods. I make no complaint about that and I'll conclude my statement with that Commissioners and happy to take questions.

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MR BAXTER: I actually wanted to branch off into a totally area.

MR RANGLES: Please do.

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MR BAXTER: And was in your submission on water.

MR RANGLES: Yes.

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MR BAXTER: Which seems to me to be one of the most fundamental issues facing agriculture over the next 20 to 30 or beyond years. In view of what's going on in terms of the Western Australian Legislation and the new Water Resources Management Bill, what's the PGA's view on that bill and the control that's likely to be exercised, particularly over spring waters, water in wetlands and water in drains? Bringing it back to the very mundane sort of level in this.

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MR RANGLES: Now, Mr Baxter, I'd have to apologise because water is one of the portfolios that I don't carry and I apologise. That part of the submission was written by one of our members, Sue Walker, who couldn't be here today. We were hoping she could come. I can only give you some general comments if you wish to listen to them. I'm not familiar with those aspects of the bill that you've alluded to.

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MR BAXTER: One of the reasons that I asked, and it comes back to the issues with the amendments to the land legislation is the right carrying water rights issue and it seems to me, in the light of what might be being planned, that those riparian rights might be being diminished. And yet, to a freehold title landholder, the riparian rights would seem to me to be a fundamental element of it.

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MR RANGLES: We'd agree with that view, Mr Baxter, as far as I'm aware.

MR BAXTER: Right. Look, perhaps I give a question on notice, perhaps if I could speak to Sue at some stage. I'd just like to get a clarification of that.

5 **MR RANGLES:** Sure, absolutely.

MR LINDWALL: Do you have any other questions?

MR BAXTER: No.

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MR LINDWALL: Now, in our report we asked a number of information requests, for example, measures that could help improve the resolution of conflicts between agriculture and residential land uses. Is that something you'd like to comment on?

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MR RANGLES: Again, Mr Lindwall, I must apologise. That's not my bailiwick, so to speak.

MR LINDWALL: So maybe we should talk about - - -

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MR RANGLES: At least you're very good at asking me all the things don't know about.

MR LINDWALL: You're being too modest here, I believe. Talking about livestock and grains and climate change. What areas, in particular, would you like to talk about on those?

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MR RANGLES: Look, I'd prefer to answer questions rather than talk, to be quite honest.

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MR LINDWALL: Fair enough.

MR RANGLES: I did make my opening statement because I was prompted by some of the things that you had said and Mr Jones. I'd be very happy to answer any questions, but I'd rather not, you know, make any leading statements, so to speak.

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MR LINDWALL: Well, what about the conversion of pastoral leases to freehold?

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MR RANGLES: Yes, I am very happy to speak to that. I don't believe that that is a realistic proposition.

MR LINDWALL: Okay.

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MR RANGLES: I noted Mr Tallentire's comments and I noted your comments about increasing property rights should lead to increasing value. I agree with that. But we inherently have to see what are the activities that we are doing on it.

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Now, I can see a perverse outcome where someone could potentially get a freehold property and it becomes more expensive because people will have to go through a native title process and the government in this state has made it quite clear that they won't underwrite the costs of such a process. The costs can be indeterminate, and the time taken can be indeterminate as well.

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So having done that - and let's say I have a freehold property and I continue to do - to continue a traditional grazing activity, a business person's going to say, "Well, I think I'll just buy the lease, because that's cheaper, and I can get the same business outcome."

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So unless there's some really sound thinking about how this is going to look like into the future, I think there's a real risk that people could go through, incur those costs, and not be able to potentially realise them in the value of the business. Because business people are smart. They will always seek to find the cheapest way to enter a business and gain control of an asset, and potentially pitting, in my view, bits of lease against freehold land.

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Now, other activities, I spoke about grazing activities, and Mr Tallentire mentioned things like tourism and carbon farming and et cetera et cetera, and there is an old saying in the tourism industry that the first person goes out of business, the second person who buys a tourism business just breaks even, and it's the third person who realises the value of the asset.

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So you know, tourism in pastoral lands, I think it's a great idea, but we have got to consider that is actually the reality of tourism. Carbon rights, unless there is some changes at the government level, the government actually owns carbon right on a pastoral lease. They have made no indication that they are going to transfer that over to a leaseholder.

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I find debates about carbon farming on pastoral leases quite academic, personally. I am sure there is some value in it when and if it can be realised.

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MR LINDWALL: And in more limited circumstances, I suppose.

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5 **MR RANGLES:** I think we have got to recognise that the traditional owners of the land will have something to say about carbon rights. They do - you know, their native title rights are over the land and the water as well. And I mean, effectively what you can do on a pastoral lease with carbon rights is about the land.

MR LINDWALL: Yes.

10 **MR RANGLES:** So I can see a debate going on there that will need to be resolved.

15 **MR LINDWALL:** On native vegetation clearing, the position - and it's in submission - but the ability to transfer or to offset with different properties is something that's generally supported by your organisation, obviously.

20 **MR RANGLES:** Generally it is, but I'm glad you brought that up, Commissioner, because it does lead to perverse outcomes. I have been going to a series of workshops about the upgrade of the Great Northern Highway from Muchea to Wubin, and part of that involves bypassing various communities, small towns that have a highway running through the middle of them. At the moment there are heavy vehicles rattling through there at all hours of the night and day. New Norcia, for instance, is getting a bypass.

25 Lower down, there's a bypass at a town called Bindoon. Now, the Bindoon residents have been pushing back hard against the routes of the bypass. The bypass is critical to getting over what we call Bindoon Hill and Little Bindoon Hill. The gradients of those hills prevent heavy vehicles from actually using them, because their speeds are reduced to, you know, ten and fifteen kilometres per hour, and the state - the Main Roads Department quite rightly so don't believe that that is appropriate.

30 The point about that is, is that one of the routes that was being looked at couldn't be pursued because previously Main Roads had bought the land there as an environmental offset. Now, it makes - they freely admitted, it makes no sense to buy an offset for other road building then to build a road through it later.

40 **MR LINDWALL:** Yes, well, that would seem a bit odd, but anyway, yes.

45 **MR RANGLES:** Now, the point about that is, is that regulation is singularly unable to predict the future. I think Mr Jones said that - you know, we're playing catch-up now with GM regulation. I actually don't

think regulation can ever be up to date. It's always playing catch-up. And I reiterate, it just cannot predict what is going to happen in the future.

5 And that is the point about science and technology. It is bringing us advancement all the time, improvements, and regulation needs to be able to recognise that and allow it to happen and not stifle it.

10 **MR BAXTER:** At the risk of getting into another area that is in your submission but may not be in your bailiwick, when we came to Perth some time ago we met the representatives of Wellards, who are I presume a member of yours, one of the largest livestock exporters and slaughtered meat exporters in the state, if not the country.

15 Two issues that arise in my questioning. One, the Western Australian government has chosen not to be a member of or support the National Heavy Vehicle Regulator. Is that a position that the PGA agrees with? And secondly that there were questions raised about the efficacy of the regulation in relation to particular farmers in Western Australia where they were being prosecuted for, for example, taking a header or a piece of
20 harvesting equipment or big agricultural equipment across a road from one side of the paddock to the other, and if it was to meet the regulations it was to have flashing lights, sounding bells - I mean, I am exaggerating it, but every manner of thing to illustrate that it was crossing the road. What is the view on those regulatory regimes in the transport sector in this state?

25 **MR RANGLES:** Look, I am endorsing comments, Mr Baxter. I mean, I had a case reported to me where one of our members had to move a large auger, grain auger, portable. I'm sure you can imagine what they look like. It was clearly too big. He was stopped by a police officer who said
30 he should put a hinge in it if it was too big.

MR BAXTER: A hinge?

35 **MR RANGLES:** A hinge in it, to make it comply with the traffic regulation.

MR BAXTER: And on the National Heavy Vehicle Regulator?

40 **MR RANGLES:** You raise an interesting conundrum. I am often confronted with national harmonisation is a good thing. Why? Because it is standardised. Why is that? Because we are all the same. Which I don't believe. I've been grappling with this for 20-odd years, I might add. I don't believe we should harmonise or standardise just for the sake of
45 being in harmony and standardising. It has to deliver some benefits.

5 My understanding is that generally the WA government is in harmony with the National Heavy Vehicle Regulator. There are some things it didn't agree to. In others, it, you know - for instance the definition of a vehicle for the chain of responsibility is - goes down to a light vehicle, whereas on a national basis it stops at 4.5 tonnes.

10 My understanding is that the chain of responsibility, you know, there was some push back from industry, but the WA government is committed to it, and that was one of the major parts of the recent harmonisation, so to speak.

15 **MR BAXTER:** The other area that follows closely on that, you will have seen from our report, our draft report, that we have recommended that there should be an independent oversight to animal welfare in this country, which I have no doubt is a fairly sensitive issue in this state as one of the largest exporters of livestock. What is the PGA's view on that proposition?

20 **MR RANGLES:** Look, our view is that we don't support an independent office of animal welfare, and for the simple reason that the last approach we believe was an act of parliament introduced last year that you are aware of. The Senate committee rejected that. PGA's not alone. The Senate committee responsible for that type of legislation agreed with our position.

25 We believe an independent office of animal welfare wouldn't really be independent, because of its gestation. It's clearly a political act. It's interesting that legislation was introduced in the last parliament and the previous parliament. In the previous parliament it was introduced by the Greens only. In the last parliament it was supported by the ALP. Now, that suggests to me that it's not really independent, it's a mechanism for getting votes, because if the ALP agrees with the Greens then they can perhaps get some Green preferences by looking like they are supportive of one another.

35 **MR BAXTER:** That's a very cynical view.

MR RANGLES: It's a very cynical view, commissioners. I apologise.

40 **MR BAXTER:** No. You've seen presumably some of the publicity in the eastern states, particularly in my home state of New South Wales, over things like greyhound racing, and you've also probably seen the public reactions to the ABC's, and not only the ABC's but others, vision of what's happened to exported livestock in other countries. What's the
45 PGA's view about dealing with some of those - well, both the public

perceptions in the first case, but also running down the New Zealand route of making sure that if exports do take place then there are proper protocols surrounding them?

5 Let me perhaps put a reverse question. Do you have confidence that the current exporting companies are capable of managing what happens with exported livestock? That's the ESCAS arrangements.

10 **MR RANGLES:** I believe they do, but let's be fair here. The reason we have an ESCAS system is because the Australian Government has no sovereignty in foreign countries. We're talking about how animals are treated in foreign countries, not how they are treated in Australia. I am not familiar with the regulatory laws in other countries. To get around that we have ESCAS.

15 It is a contractual obligation. If you have extra-contractual activities, and when I say extra-contractual I mean criminal, they are inherently outside the law. They are inherently outside an agreement. And I don't think you can blame exporters or ESCAS for failures of the system when
20 people are engaging in specific conduct designed to defeat ESCAS and designed to pull the wool over the eyes of those exporters operating in those overseas markets.

25 I would just make a point about all of this. I noticed that - I'll be - we're going into the animal welfare - the field, and you asked if I wanted to make any statements, and I said no, but I will now.

MR BAXTER: Okay, yes.

30 **MR RANGLES:** There is some emphasis on regulation and independent oversight. Quite frankly, I see no real problems with that, but what I believe is that other people will see real problems with it, and I'd point out an organisation called the Barristers Animal Welfare Panel, who I am sure you are familiar with, and they made some comments about the standards
35 and guidelines process that's referred to in the Commission's report, and they say things like, "Animal protection statutes are largely unenforced."

40 The point of them doing that is they disparage any animal welfare regulation, any animal welfare regulation, and they therefore undermine it as inadequate. And there's a difference here between animal welfare regulation based on science and ethics and the politicisation of the debate by people who oppose the use of animals for human purposes.

45 Now, if you are going to use standards and guidelines to draw a line in the sand, so to speak, it is ultimately going to fail, because the people

who oppose animal production will never be satisfied. It is like negotiating with terrorists. It doesn't matter how stringent you do, it doesn't matter how high you set the bar, in reality it will never satisfy them.

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Barristers Animal Welfare Panel just don't accept the standards and guidelines already. They have made that perfectly clear. It makes it difficult for us to engage in a process when we know it is going to be attacked and undermined, by eminent people, I might add. The Barristers Animal Welfare Panel is not a bunch of, you know, rabid activists. It's a hundred barristers from all state bars, including 25 Senior and Queen's Counsels.

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I notice Mr Tallentire said this morning that he was only a shadow minister with limited resources. I'll have to admit even I'm outgunned by 25 Senior and Queen's Counsels.

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I think I am trying to draw to the Commissioner's attention, you know, we are reticent to make statements because they are never enough. They will never satisfy the opponents of animal production industries. And as much as I would like them to go away, they are not, they are there.

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MR LINDWALL: Those - - -

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MR RANGLES: That is why I prefer not to talk about the science and the ethics, because that isn't going to convince anti-GM activists, as Mike Jones said.

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MR LINDWALL: I guess you don't think that the Barristers Animal Welfare Panel is representative of overall community views, though?

MR RANGLES: They represent someone's views - - -

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MR LINDWALL: Yes.

MR RANGLES: - - - undoubtedly. I mean, how representative they are, I couldn't tell you.

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MR LINDWALL: So the argument you just placed, Mr Randles, is effectively that you don't like the idea of having an independent animal welfare body, even if it was truly independent, because there'll be some sections of the community who will never be satisfied, no matter what happens, but couldn't I have a counter-argument that in the case that Mr Baxter just mentioned in respect of greyhound racing, that if the industry in New South Wales had had some reasonable practices they may not have

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actually been banned, so that having good practices in the first place and being able to demonstrate might afford you some level of community support which might otherwise be absent?

5 **MR RANGLES:** I think I'd probably answer that question by saying that the reason that - I'm not familiar - I'm not entirely familiar with the ban of greyhound racing in New South Wales. It's not germane to what we do in Western Australia. I don't want to join what I do with what they do there. I make that point now.

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But the reason - that ban was imposed by the New South Wales government.

MR LINDWALL: You're correct.

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MR RANGLES: Now, governments make the rules. They make and take the decisions. When I talk about animal welfare standards and guidelines they will only have some value if our government uses them to support the industry.

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MR BAXTER: Can I be the devil's advocate in this for a moment?

MR RANGLES: Please.

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MR BAXTER: And declare a conflict of interest in that I am a New South Welshman, and that needs to be said because part of the ban on greyhound racing, and this can go on the record, was because of the huge amount of cash that changed hands at greyhound racing meetings, but there was also the animal welfare issue.

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But isn't there a possibility that by having, as the New Zealanders have, and they are fortunate in not having the state side to deal with, is that if you have a single set of principles which are accepted by the industry, it is easier and far more effective to turn around and deal with what I would call the fringe dwellers on either side of the debate, whether it is GMO, animal welfare or anything else, so that you can turn around and say to the Wellards and the others of this world, yes, you are meeting the standards and yes, we are ticking off you exporting livestock, whether it's to Indonesia, Vietnam or Saudi - well, it doesn't go to Saudi, but to the Emirates?

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MR RANGLES: Look, I would agree with you. I would agree with you. I certainly would.

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MR BAXTER: I mean, it seems to me that - and it was, I think,

strengthened by the argument that Mike Jones put up, that for a long time there has been these propositions about the GMO which on the basis of what he thought are not scientifically substantiated, and yet you have got two states which have placed moratoria on GMO crops which means that in some cases people like Wellards for example, if they bring fodder from New South Wales or Victoria, it has got to circumvent the State of South Australia to get to Western Australia where they are exporting livestock from, which seems to me to be patently ridiculous.

10 Now, it seems to me that you need to anticipate that sort of problem arising rather than wait until it arises and be caught sort of wrongly footed, if I may put it that way.

15 **MR RANGLES:** Look, I totally agree. But I will turn that back around to *Marsh v Baxter*. Who would have thought that a man growing a lawful genetically modified crop under an exemption would have been taken to the Supreme Court of Western Australia, and how can you prepare for that?

20 And I mean, if I was to look at the - I looked through the judgement myself, and - - -

MR LINDWALL: And you sat through the proceedings?

25 **MR RANGLES:** The justice said that there was no - this wasn't a question of contamination at all. This was a question of a man who lost his organic standards decided to take it out on somebody else. I mean, he really should have been suing the association that withdrew his certification status and testing them.

30 **MR BAXTER:** Look, I don't disagree with that, but again - - -

MR RANGLES: Hard to predict - - -

35 **MR BAXTER:** Very hard to predict.

MR RANGLES: Very hard to predict.

40 **MR BAXTER:** And in the society we are living in at the moment you would have to take the view, I would think, that you are heading down a track of more attempts to regulate and control these things than you are to set a series of standards that are capable of being implemented and meet what a reasonable human being might consider as appropriate, whether it is for GMO, for livestock, for the, you know, the movement of heavy vehicles, whatever.

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5 **MR RANGLES:** What I will say to the Commissioners is I have changed my mind on that just about every day. I come into work one day and go, “Well, if we don’t do this ourselves someone will do it for us.” The next day I will come into work and say, “Well, what we do is currently in line with the law, why the heck should we have to change?” So then I get all staunch about it, Commissioners.

10 **MR BAXTER:** All right.

15 **MR RANGLES:** The next day I come in and I go, “Strewth, I saw that in the paper, I saw that on TV, I think we had better do something even more so that when they come calling we can say, ‘Nothing to see here.’” I can’t tell you what the - I really can’t tell you what the right approach - I wish you could tell me, because then I would be able to sleep better at night, or wouldn’t be so confused.

20 **MR LINDWALL:** Well, I’m not sure. We will express something in a final report, but whether it’s right or wrong will be for others to decide.

MR RANGLES: I’m sure like most things in life it’s a bit of both.

MR LINDWALL: Probably. Finally, unless you have anything - - -

25 **MR BAXTER:** No, I don’t have anything.

MR LINDWALL: On the issue of - on ag vet chemicals - now, we’ve spoken about GM as a form of technology - - -

30 **MR RANGLES:** Yes.

MR LINDWALL: Have you got some anecdotes or some information you could provide the Commission on where the regulatory regime for ag vet chemicals through the APVMA has caused harm?

35 **MR RANGLES:** Look, I’ve - I’m not - I don’t think it would be fair to say it’s caused harm. I mean, the APVMA seems to have changed its mind depending on which government is in power. It’s interesting, after I made our submission to the Productivity Commission, I was asked to
40 make a submission to the review of duplication between ag vet chemicals and work health and safety regulation.

45 And while I’m not prepared to say that that’s the cause of harm, you probably know they want to replace the comprehensive system of labelling that APVMA has had for many, many years with the globally

harmonised system.

MR LINDWALL: That's right, yes.

5 **MR RANGLES:** This brings us back to harmonisation. If something's harmonised it must be good. Now, the globally harmonised system is designed for people who - countries effectively that have no regulatory environment at all, and that's a series of pictograms.

10 Now, I think because I was well educated and can read and write, I actually can't understand the pictograms. I saw them, and I just thought, "I don't know what that means." But the point about this is that APVMA labels are about risk at point of use.

15 Now, that is going to be replaced by a generic system of pictograms. I can't see how that's of any value at all, because the most risk when you use chemicals is at the point of use. Not in transport. It's not necessarily in the manufacture, either. Certainly when you get them out at the other end and start decanting them and spraying them around, an APVMA label is specifically designed to reduce that risk, unlike this GHS system.

20 So I can't support the GHS system. I wonder why - you know, I wonder why it's - I can only assume because it's, again, the holy grail of harmony that it's been pursued by our government.

25 **MR LINDWALL:** One shouldn't harmonise just for the sake of it, yes.

MR RANGLES: I don't think so.

30 **MR LINDWALL:** But I was asking specifically about in the ag vet chemicals about whether your members have sought to use a particular chemical which has been proven efficacious overseas but is being denied them through either timeframe or because it's of limited use or something like that?

35 **MR RANGLES:** Not to my knowledge. Not to my knowledge.

MR LINDWALL: Okay.

40 **MR RANGLES:** I would represent typically, you know, broadacre farmers.

MR LINDWALL: Yes, yes.

45 **MR RANGLES:** And they're not - they're not so much off-label uses as

such where it can be a little bit problematical.

MR LINDWALL: Yes, all right. Well, did you have anything finally to

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MR RANGLES: No.

MR LINDWALL: Mr Randles, thank you very much for appearing.

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MR RANGLES: Thank you very much. I think I've said enough.

MR LINDWALL: That's all right. Now, could we take five minutes and
then we'll have the Australian Industrial Hemp Alliance. They'll be back?
Anyway, ten thirty.

15

ADJOURNED

[10.24 am]

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RESUMED

[10.32 am]

MR STEDDY: Colin Steddy, representing the hemp industry. Just want
to talk about the process that we can get hemp moving in this country.
25 More from an agricultural broad-acre farming side of it. And Glenn
Orley, the president of the Hemp Association in Western Australia is the
man to start off first.

25

MR OSSY-ORLEY: Hello.

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MR LINDWALL: Hi Glenn.

MR OSSY-ORLEY: Hi Ken, Hi Paul, my name is Glenn Ossy-Orley,
and I'm currently the Chairman of the iHemp Association in Western
35 Australia, known as iHemp. I have a few things that I would like to bring
to the Commission.

35

One is the licensing regime that we currently have, and it is a three-
year licence. I am currently a hemp grower myself, and I am in my third
40 year. So it means this year is the last year of my licence, so I'll have to
apply for another one and I'm sure I'll have no problems in getting
another licence.

40

But I'd like to see the three year licence go to a five year licence.
45 There is no way a person will invest money, large sums of money, with

45

5 only a three year licence. A five year licence would be better. I would like to see personally that the whole world of cannabis be decriminalised, because then we wouldn't have to cross borders and fight with the four different organisations that I see in front of us. One we are calling hemp for industrial, the second one we are calling food, and the third one we are calling recreational, and the fourth one is - - -

MR LINDWALL: Medicinal.

10 **MR OSSY-ORLEY:** - - - whatever we have got to call it. So there is four, when in actual fact there is only one plant. I am growing plants that under the current law is 0.35 per cent and on my second year of growing my seeds happened to grow to 0.32 per cent so I am only a small fraction under, which according to the way the graph's going, that this year's growth will be put me over the legal limit.

MR LINDWALL: What is the legal limit?

MR OSSY-ORLEY: The legal limit is 0.35.

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MR LINDWALL: 0.35.

MR BAXTER: In Western Australia?

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MR OSSY-ORLEY: In Western Australia.

MR LINDWALL: Okay.

30 **MR OSSY-ORLEY:** One of the other points is I'd like to bring across that it should be across Australia, your broadened percentage point. I would like to see it go to one, but if you were to follow my example where we could decriminalise, well, we wouldn't have to worry about anything.

35 **MR BAXTER:** What's - sorry to interrupt you, what's the limits in the other states? Are they the same?

MR OSSY-ORLEY: 0.5.

MR BAXTER: 0.5 in the other states?

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MR LINDWALL: What, all of the other states?

MR OSSY-ORLEY: Not all. I think some are like us. South Australia - well, I don't know about - - -

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MR STEDDY: No, South Australia can't do it yet, but they're going through the process to get it happening, and Northern Territory.

MR OSSY-ORLEY: Yes, that's right.

5

MR LINDWALL: Sorry, we shouldn't interrupt. Please.

MR OSSY-ORLEY: No, that's all right, interrupt whenever you want to question.

10

MR LINDWALL: We will have plenty of opportunity for that.

MR OSSY-ORLEY: If there was no limit, the farmer could then grow specifically to what he wants. Because we know that if he wanted to grow the cannabis plant for the finest quality that you can get, i.e. silk, the plant has to be in balance.

15

What we're told that we can only create is the rough form, and that is to grow a rougher form of material for clothing or for canvas, and canvas being cannabis and lacquer. So the canvas plant, you know, so we as a farmer need to be able to have that choice of where we are going to grow and what we are going to grow in the plant. If we were to say the same thing to a sheep farmer, you can't grow super fine wool, we wouldn't have a bloody wool industry.

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25

It's the same within the plant industry that we are trying to grow, is that we need that flexibility where we can grow higher yields - and we're not talking about recreational, because recreational is a totally different thing. We are talking about growing the plant for fibre, for its hurd, for the building industry, and for the food industry.

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Unfortunately, looking at the food industry, we are only allowed to - well, we will be allowed, hopefully, to consume only the seed and the oil. Now, we're only using 2 per cent of the plant. What about the other 90 per cent of the plant for the farmer?

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If we look overseas where they are using all the plant, they are producing teas, bath bombs and all sorts of other products. We can't do that here in Australia just yet. I am sure down in the future when they realise what the plant is, the leniency will be dropped, and I'm mainly happy that we're going forward at this stage, and going forward means a lot of things to a lot of farmers, but if we are going to be restrictive, a lot of farmers will fall out of this industry.

40

We need a processing plant. Without a processing plant we don't

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have an industry. I can't emphasise how important the processing of the plant is, because it just won't happen if we don't have it.

5 We are talking about two types of farms, one being a bit of a boutique industry where you are growing under a hectare, and those hectare farmers will be farmers possibly growing for seed, possibly for the food industry. They need smaller acreage.

10 If you are growing for the hurd industry, you will be talking about broad acre farming, in which Colin Steddy, my friend here, will have a talk about. Because broad acre is different to smaller acres.

15 I know that through communication with the - through the industries in the south west with the board, they need about two tonne an hour to create the industry. They will only look at us if we can create two tonne an hour. But we can't create two tonne an hour if we don't have a processing plant. So it all goes back to the same thing, processing, processing, processing. Without processing we really have nothing.

20 We would like to see that the level of THC rises to about one per cent, as I have already said, rather than from 0.3 to 1. We would like to see clarity on what parts of the plants we can use, if not the whole plant, because we should be able to use the whole plant. It seems a bit silly that we can only use only 2 per cent of it.

25 **MR LINDWALL:** Okay. Would you like us to ask some questions now, or did you have some more to add?

30 **MR OSSY-ORLEY:** If you don't mind.

MR LINDWALL: Please, all right. Could I clarify a few things just for the record?

35 **MR OSSY-ORLEY:** Yes.

MR LINDWALL: Firstly, if a THC level was one per cent, what type of effect would it have on someone consuming it?

40 **MR OSSY-ORLEY:** My belief, none.

MR LINDWALL: None, okay.

45 **MR OSSY-ORLEY:** Okay? If I give a rough span, many years ago, most probably when I was in my 20s, the cannabis plant in Australia was running around about 5 per cent, 5 per cent THC and 5 per cent CBDs.

Today, everyone's gone the opposite way. They have raised the THC to 20, 25 per cent and the CBDs are zero, pretty well. The plant's not in balance, and we're finding that people aren't doing so well on the higher THC as what we thought.

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If it was brought back to original, it would be different again. I know the police have a concern. The police are concerned about their saliva testing. But they are using the Drager system at the moment, which is banned everywhere else in the world except for Australia.

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MR LINDWALL: Banned, is it?

MR OSSY-ORLEY: Yes, because it doesn't give a true reading.

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MR STEDDY: They've thrown it out because - even New Zealand has thrown it out because it gives too many false positives. I had a friend that works in the mining industry that hasn't smoked cannabis for 25 years, he had three positive tests on the same day. So we went for a blood test, no cannabis in his system, but the saliva test said he had cannabis in his system.

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MR OSSY-ORLEY: I'm not suggesting, by all means, that people should be driving while intoxicated. I am sure there are methods that can be found or used, and I am not one of those people, but I believe that there is other methods. They should be using the European method or the American method or someone else's method, but this Drager system that we are currently using is out of date.

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MR BAXTER: But they apply it - doesn't it - - -

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MR LINDWALL: Beg your pardon?

MR BAXTER: There's a bit of hypocrisy in all this that - - -

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MR OSSY-ORLEY: There is.

MR BAXTER: - - - more people are likely to get themselves drunk by drinking a whole lot of wine and cause far more harm in driving a motor vehicle than they are in consuming the products of a hemp plant.

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MR STEDDY: Yes.

MR OSSY-ORLEY: And if I may say so, Ken, you know, we - when we monitor alcohol we have a system where we say 0.3 puts you over the limit, but we have no system with the cannabis.

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MR LINDWALL: Either you have it or you don't.

MR OSSY-ORLEY: Or you don't. And that ain't fair either.

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MR STEDDY: And the strange thing about it all is we've just all had a cup of tea, we've put sugar in it, sugar is more addictive than marijuana and does more problems to our body, but this is the rules - - -

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MR LINDWALL: Don't worry, there's no sugar in my tea.

MR STEDDY: Oh, good on you.

MR OSSY-ORLEY: And nor in mine as well.

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MR STEDDY: But I would just like to talk on the broad acre side. Now, as Glenn mentioned, board. Now, this is board that is pure hemp board. Now, this is category - the first sample that we've done in Australia is as category one flooring. The guy that made it says it's easier to work with than woodchip. Now, we can produce as much fibre, or sorry, hurd, off one hectare of hemp as we can off a twenty five year old forest.

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And now, when you have got Laminex that are down the south west that make board, Glenn took some samples to them, they were interested, but they said, "We need a hundred thousand tonnes. We're using chipboard at the moment - using chips from trees at the moment, it is running out." Because the mills are shutting down, they've got a lack of supply.

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Here is an industry that we could put up and create an agricultural industry in the south west. We have got Wellington Water that is sitting there not being used. We have got a dairy industry that is collapsing. If we can get this right, we can make all of our particle board which makes our tables, our buildings and everything, out of a product that is grown in less than five months.

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And when you talk on the broad acre, the biggest issue that we have in this country at the moment for the hemp industry going forward is (1) the processing mill to be put up. I'm trying to work. There is one in New South Wales. There is - actually, there is another one, I'm not sure if it's in Queensland or New South Wales that aren't operating yet. They're not doing a good enough job.

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There is another one that's in Victoria that doesn't do a good enough job. We've got to get something. Then the next issue that we have is seed

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supply. Now, I'm glad that the legislation has been changed back so we can import seeds from overseas, because at the moment if I wanted to put in two hundred hectares of industrial hemp I need ten tonne of hemp seed.

5 I think I might have found it in Australia. It's going to cost us an arm and a leg, but there ain't much more seed for any other grower. Now, I have had orders from Europe that want to buy the top third of the hemp plant to use as tea within Europe.

10 Now that market - so this is my first order for twenty tonne. I said, well, if this works and we give what you want, which is less than one per cent THC and at least one per cent to 1.5 per cent CBDs, he said, well, we want a continual order, and it could be that every month.

15 We have had orders from people from another country in Europe - or not actually - actually, I'll mention it's Korea, that want two hundred tonne of hemp seed a month. Have another talking to people in China that want us to grow three thousand hectares of fibre for their market to make clothing.

20 And then you've got biodegradable plastics. Now, biodegradable plastics are made from the fibre. Anything that is made from the petroleum industry can be made from hemp. You get a plastic bottle, throw it out the window, which some bloody people do, within three to
25 four months that's just about completely broken down. When we use plastic bottles, they don't break down. Using hemp, they do.

30 So what we are proposing is what we need is - to breed better seeds, we need to be able to import some seeds so that we can specifically breed for our environmental conditions, because you have got the parallels that run across Australia, different varieties grow in different areas better.

35 We have got possibly one of the best products in Australia for the fibre industry, but that plant is too long a season, because when you plant it in the north the seasonal conditions can have a problem. We need to be able to breed that, and also once upon a time there was a variety of hemp that was salt-tolerant. We need to be able to breed that, so there is a lot of area in this state and other states - - -

40 **MR LINDWALL:** As we've heard earlier, yes.

MR STEDDY: - - - that has salinity problems. Now, I have a couple of breeders that reckon with three to four years we could possibly start to
45 breed the hemp plant with a bit of salt tolerance.

MR LINDWALL: Using GM technology, perhaps?

MR STEDDY: No.

5 **MR LINDWALL:** No?

10 **MR STEDDY:** Not using GM, using natural selection. I am not in favour of GM technology. I have heard that about five or six years ago our government gave \$50 million to Monsanto to breed genetically omega-3 into canola. If they had have given me \$1 million I could feed this nation in omega-3, -6 and -9 within two years, for \$1 million, through - and legalising hemp foods.

15 Now, the Canadians are ringing at the moment saying, “We have hemp foods, when you legalise hemp foods we will export to your country.” I’m going, “Well, why? We can produce it here. We don’t have to import it, and we can keep an eye on quality control because it’s not being imported.”

20 There is a huge market out there sitting for Australian farmers. When you grow for fibre compared to cotton you are using a third less water. And it is improving your soil, and no chemicals, so as an environmental crop, it is the best environmental crop that we can grow in this world. It - I got into it - I’m a broad acre farmer, I’ve farmed at Darkan and farmed at
25 the wheat belt cropping nine thousand acres. I got into hemp purely on how it can improve my soil.

MR LINDWALL: Now could - - -

30 **MR STEDDY:** Yes?

MR LINDWALL: So in terms of the processing plant, is there any regulatory restriction about creating a new one - - -

35 **MR STEDDY:** No.

MR LINDWALL: - - - or is it just financing?

40 **MR STEDDY:** It’s just the finance to be able to get that.

MR LINDWALL: And part of it - so it’s a bit of a chicken and egg situation. Whilst the THC levels are very low, you can’t really do broad acre farming, is that what you’re basically saying?

45 **MR STEDDY:** Well, it’s to do with the breeding. Now, when we talk

about the licensing only three years, I go - we've got a business plan, we go to the investors, and they've said, "You've only got a licence for three years. We want more continuity to be able to invest."

5 And they go, "Well, why hasn't the hemp industry gone forward? It's been around for years." The unfortunate thing within the hemp industry, there is some players that have been in the market that are wanting it all for themselves. I'm a broad acre farmer. I want to keep farmers out on the land. I want to make seed available to them. But these people have
10 kept it all for themselves and done deals and cut the industry off at the knees because they won't collaborative work.

 I am now collaborative working with Queensland, New South Wales and Victoria. We are in discussions with South Australia about getting
15 their legislation industry up, and also the Northern Territory. Because we - for me, we need this for the farmers. Just keep our farmers on the land to improve our soil so when we produce a food we produce a better quality food with vitamins and nutrients and minerals in it.

20 **MR LINDWALL:** Okay. Could I ask about the licensing regime? How does it work? It's three years obviously.

MR OSSY-ORLEY: It's three years, you've got to be a clean - - -

25 **MR STEDDY:** In Western Australia.

MR OSSY-ORLEY: You've got be a clean slate, and if you are and you meet that criteria they'll give you a licence. A licence is not hard to get. Three years, 300 bucks, \$300-odd, not hard, but it's the three year period
30 that's restrictive.

MR LINDWALL: Don't you think - I mean, I can understand, I mean, perfectly clear in terms of economics that if you have a short period it's harder to lend against, but I'm not clear that five years would make much
35 difference to that, though.

MR OSSY-ORLEY: We're only choosing straws because three is too small. We'd go to five. And it's a just a bit like the commission - we're here talking for the first time.

40 **MR LINDWALL:** Yes, yes.

MR OSSY-ORLEY: We couldn't do that two years ago. We wouldn't be entertained at even speaking about it.

45

MR BAXTER: What was the justification for setting three years in the first place? Was it a number that just entered their head, or - - -

MR OSSY-ORLEY: Look, I can't answer that.

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MR STEDDY: The justification for the three years was, "Shit, we don't know what to do with it."

MR BAXTER: Right.

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MR STEDDY: It's real. And a lot of the legislation that's been passed is, "Shit, we don't know how to handle that." And it's the stigma of everyone's been taught about marijuana over the last 100 years about how bad it is, but 90 per cent of that is all lies and bullshit, to be straight to the point. And it is how to regulate - they don't know how to regulate the industry, because they won't sit down as a big group like Australia-wide and say, "Right, we need to put in regulations across this country, and now this is how it's going to work."

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But when one state does it and another state does it, they're all, "Well, who's going to make the decision?" They're scared to make a decision and just in case it's marijuana. And that is the stigma that goes behind it. There's a lot of people that I talk to, doctors included, that want to legalise the medical marijuana because they can see the benefits to people.

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With medical marijuana, one of the biggest killers in this country is suicide. One of the biggest killers of our soldiers is suicide. It's a proven fact that when these soldiers and these people with depression go on CBDs it fixes their problem.

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MR BAXTER: Can I just go back a step, to get some sense of comparison and talking to you as a broad acre farmer, if you were planting, let's say, five hundred hectares of hemp, and comparing that to, let's say, 500 hectares of wheat, what would be your inputs in terms of fertiliser and water? I mean, how does it stand up as a crop? Let's let leave the - - -

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MR LINDWALL: THC values.

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MR BAXTER: - - - THC issue for a moment, but if you were saying to your bank, "Look, I want to plan 500 hectares of hemp versus 500 hectares of weed, and I need X amount of money and I need to buy so much fertiliser, et cetera, what would be the rough figures.

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MR STEDDY: Well, if you are talking on the rough figures of putting in

a crop, the hemp is virtually at this stage for the seeds that we can get is more of a summer crop.

MR BAXTER: Okay.

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MR STEDDY: So you wouldn't plant until later in the season. And you would plant them on areas where there is good sub-soil moisture. Because hemp is not going to compete directly with wheat. It is a different crop. Now, at the moment people say, "Can we grow it broad acre?" and I'm saying, "No." At this stage, because we need to bulk up seed so that we have a ready supply - so I need two to five - - -

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MR BAXTER: Let's assume you've got the seed. Let's assume.

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MR OSSY-ORLEY: You don't need - the answer to that is you don't need fertilisers. It grows without it.

MR BAXTER: Okay.

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MR OSSY-ORLEY: So it is no - - -

MR STEDDY: What I am going to say is your inputs are very similar. You do need fertiliser with it. They are a high user of fertiliser, but they don't take it out, so if you - the following crop will benefit. Any research that we have seen, after a hemp crop, any cereals, you're talking 15 to 20 per cent extra yield. It's like - it's better than a legume, as in a rotational crop, especially when you talk in the irrigation country, it's even better.

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But we do believe that with this selective breeding, which will take two to five years, that we will be able to, in areas in WA, that we will be able to grow it broad acre on rainfall. Especially on the coast or down at Manjimup, through that area down the coast, down through to Esperance, we believe we can honestly do that.

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MR LINDWALL: Son once you've grown the crop and it can be used for a variety of uses, as you say - - -

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MR STEDDY: Yes.

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MR LINDWALL: - - - when it's - - -

MR OSSY-ORLEY: 50,000 uses.

MR LINDWALL: Sorry?

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MR STEDDY: Yes.

MR OSSY-ORLEY: 50,000.

5 **MR LINDWALL:** 50,000.

MR OSSY-ORLEY: One plant, 50,000 uses.

MR LINDWALL: So you could make pasta or rice or whatever?

10 **MR STEDDY:** Well, you've got - we're just calling food as one of the uses.

MR LINDWALL: Yes.

15 **MR OSSY-ORLEY:** That's one use, but we've got 49,999 to go.

MR LINDWALL: Well, we don't have time for you to list out all 50,000.

20 **MR OSSY-ORLEY:** No.

MR STEDDY: And the hemp - you know, they talk about hemp foods. Hemp food is - you look at the data that comes in, nutrients come out of it. It is - they talk about super foods. It is the super food.

MR LINDWALL: Okay.

30 **MR STEDDY:** And it is illegal to consume in this country and New Zealand. So hopefully the legislation will pass later this year, because it is only the police that are knocking it. Now, if that - they pass that, all of a sudden there is a - the first year, if we had enough seed, or what's going to be imported into Australia, you'd be looking at \$10 million straight away going to \$100 million within two or three years, just on the hemp foods alone.

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40 And then when we look at the building product, we build a house out of this, they will never build brick houses in Western Australia ever again in 10 years' because they will all built out of - now, one hectare of hemp will build one house. Approximately ten tonne of hurd goes into one house, and if you are building a house out of hemp you will save between 60 and 70 per cent of your energy uses for heating and cooling within your house.

45 **MR LINDWALL:** It does seem like a magic crop.

MR OSSY-ORLEY: It does seem like a magic crop, and it is.

5 **MR STEDDY:** It is a magic crop. But the biggest stigma that has stopped it is that link, marijuana. And that is the issue that we have to get through.

10 **MR LINDWALL:** So the regulatory issue is purely one at the state government level, is that right? Is there anything at the federal government level that - - -

MR OSSY-ORLEY: Federally I think we passed it, but state-wise, we haven't.

15 **MR STEDDY:** Well, federally, we need to get all the states together to have the one legislation covering all states.

MR BAXTER: Can I just go back a step with this? The poppy industry in Tasmania is controlled by the Tasmanian government.

20 **MR STEDDY:** And now Victoria.

MR BAXTER: And Victoria

25 **MR OSSY-ORLEY:** And don't forget, they get \$300 million a year, Monsanto - well, Bayer, I should say. Bayer gets \$300 million, gives us \$300 million, and they make \$4.2 billion, and that is an American company, it is not even an Australian company, growing poppies in Australia. It should be an Australian company growing poppies in
30 Australia.

MR BAXTER: Well, I was just going - the next question was going to be if two states' governments have approved the production of opium poppies, which is now a well commercialised industry - - -

35 **MR OSSY-ORLEY:** Yes.

MR BAXTER: - - - what are the real objections other than the police to proceeding with ticking off a hemp industry?

40 **MR STEDDY:** From the last two submissions that have been put in on hemp foods, it has been the police that are raising concerns and stopping us.

45 **MR BAXTER:** So it is nobody else?

MR STEDDY: Nobody else.

MR BAXTER: Okay.

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MR LINDWALL: Okay. And as for the production, you were talking about clothing, rougher form, rather than the silk type very fine form. What's the reason that you can't do that?

10 **MR OSSY-ORLEY:** The plant's got to be in balance. It's been put out of balance.

MR LINDWALL: Which means it has to have a slightly higher level of THC, but do you think that - well, your testimony is that up to - well, is half a per cent sufficient, or is it one per cent that you need?

15 **MR OSSY-ORLEY:** The plant's got to be in balance. Everything that I've read, you've got to have the plants in balance. When I spoke to the clothing manufacturers of Italy, and I told them quite confidently in my first year, "I've got no THC in it." Very proud, I was, because I just got my licence. They said, "Sorry, Glenn, it's just rubbish. We can only get canvas out of it." And I went, "Well" - - -

20 **MR BAXTER:** Can I just - again, just taking the earlier question the next step, if the police and the THC at the moment is the only obstacle, is there any other? Is that the only one that exists?

25 **MR STEDDY:** Well, the main obstacle is that with the less for hemp foods, or for foods, so that - once we get across that one, that opens up a huge window for the industry here. And the other one is being able to bring in seeds, which the legislation is just so we can bring them in from overseas to start breeding, to get varieties that actually suit our climate better.

30 **MR BAXTER:** Okay. Well, how's the Canadian industry got round this?

35 **MR STEDDY:** The Canadian industry have just done a lot of - they - originally what happened, I was over in Canada 10, 12 years ago, and they were growing hemp, and they wanted to put up a mill, and they had hemp bales everywhere. They couldn't - no one would come up with the money to put in mill or where to put it.

40 **MR STEDDY:** So they virtually burnt it all and went down the food side, because food was legal there, and then they were exporting that, and then it's a

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\$100 billion industry into America at the moment. So that opened up huge windows to make it happen, and if we can get the legislation for hemp food, that will open a lot of windows that people, “Yes, now we want to put some money in to do this breeding and to move us forward.”

5

But that is really the biggest issue that’s stopping hemp going forward at the moment is the legalisation of the hemp foods. On a return basis per hectare, we are going to get the seeds - at the moment, once we have harvested them we can sell that seed for anywhere between \$3 and \$4.50 a kilo, and on irrigated we will be getting close to a tonne to the hectare. You take off the seed then you have got fibre.

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If we get the right fibre, we can get around about \$2,000 to \$3,000 a tonne for that. So off a hectare you are going to get 3 tonne. I am working off low figures here, and then if you are building a house from the hurd, at the moment it's \$1,000 a tonne, you will get 7 tonne to the hectare. When you are looking at \$10,000 to \$12,000 a hectare on irrigated hemp, nothing else competes with it. It is the stigma floats with - the legalisation of hemp foods will push that right forward.

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MR LINDWALL: Glenn and Colin, did you have anything final to say because I think we need to move on to the next? Thank you very much.

MR OSSEY-ORLEY: Thank you very much for the opportunity in letting us speak before the commission. Thank you. Thank you, Paul. Thanks, Ken.

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MR LINDWALL: Now we are moving onto Foodwatch WA. I think Shirley Collins; is that right? Do you mind if we call you Shirley? I am Paul.

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MS COLLINS: Hi Paul, hi Ken.

MR LINDWALL: Would you mind giving your name and talk about your organisation and maybe a little opening statement if you wish?

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MS COLLINS: My name is Shirley Collins. I am from a group called Foodwatch who is a consumer group. We are also interested in supporting the farmers who grow the foods that we want to eat. I come to this commission today because I am concerned about two main things in the report but there are overlaps with other sections of the report and that is, of course, the lifting of the proposal to lift the GMO moratoriums and to relax labelling. I also come from a background of implementing new technologies and I know the quality systems that should be in place when you are implementing new technology.

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I come from an IT background and we saw a classic case only last week of where, even with just the technology, things go wrong when you release it to the environment.

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MR LINDWALL: Sorry, what happened last week?

MS COLLINS: I am talking about the census.

10 **MR LINDWALL:** Yes.

15 **MS COLLINS:** Lots of boxes were ticked as to the quality that went into that but there are lots to do with the actual implementation, design and implementation, of a system when you implement a technology. When it comes to GMOs, we are not just talking technology, we are talking a bio-technology, so it's the crossover from biology and technology and, of course, genetic engineering is another word that is used in there. In engineering we have got quality systems in place, IEEE to upscale from building something in your shed at home to building bridges and flying
20 aeroplanes is a massive leap. Putting cars on the road, there are lots of rules and regulations that you need around that, but not only laws and regs, you also need to police it. What we are seeing with GMOs is almost none of that.

25 I think I will concentrate on Western Australia because that is my most closest experience.

MR LINDWALL: Fair enough.

30 **MS COLLINS:** We did have the state-wide moratorium in place up to 2008 when the government changed to the Liberal National government that we have got now. They proceeded to pass exemptions for canola, GM canola and GM cotton in Western Australia because they are the only two crops that the regulator has approved. There is nothing more coming
35 down the line so I don't understand the push to repeal a moratorium when the farmers can - those that want to grow it, can grow it. One of the reasons for having a moratorium in place was to make sure that laws and regs were in place to allow coexistence.

40 I am hearing coexistence has been proven but, no, it hasn't. The *Marsh v Baxter* was millions of dollars of a farmer versus farmer case because of the failure of basically government putting in what it needed to put in. I liken it to myself at home. If your neighbour moves in next door to you and starts throwing his rubbish over onto your fence and you say,
45 "Please don't do that" and he keeps doing it, where do you go from there.

The only tool that was given to the farmers by the government was to talk over the fence to resolve issues. When that fails, what then?

5 So we are still in that situation. That has not been resolved. It was not resolved by the courts and what I am talking about the *Marsh v Baxter* case - I heard it mentioned by speakers earlier today about the health and safety. That actually was not within the scope of the court case. That was not part of that Steve Marsh - they were not the grounds that he went to court on. So to conclude anything from the court based on that - the other
10 important point is that when it did go to appeal there was the principle of the Appeals Court - totally upheld Steve Marsh's case and it was not an issue of the organic certification. That was very clear.

15 ABC radio has been running some good programs lately, I don't know if you have managed to catch up with them, about science, especially during science week. It's very pertinent. There was one last night about how much bad science and bad research is costing us. It's costing billions potentially. Whenever you implement anything, build anything, it's always under constraints of resources, time, money, so corners do get cut.
20 When it comes to pushing GMOs out - releasing GMOs into the environment, the testing that is done - our regulators only rely on data from industry, so the testing that is done is that that is in the commercial interest.

25 They should be looking at what goes wrong but, again, there are constraints on how much time you can spend on that before you want to push it out there to get your return on investment. When you do implement, you absolutely need traceability so that you can follow it through and have problem reporting systems in place and look at those
30 problems. I don't know if you are addicted to watching the Air Crash Investigators and they keep pursuing if there is a problem with the plane they will keep pursuing it to the Nth degree and they can find that it's a little Rolls Royce part that they changed that brought down the whole plane.

35 ABC did a couple of programs on the CRISPR technology. It has been described earlier today as a simple cut and paste and needn't go through the regulator. Goodness me, I don't know, can you cut and paste on your phone or in a Word document without any mistakes, and it often
40 needs another set of eyes. We have editorial review for a reason. The program on CRISPR was in two parts. The first described what it was and the second part raised questions about the pace at which - I mean, science and technology does move at a massive pace but can we keep up with it and can the regulations keep up with it? Can our bodies keep up with it?

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That program concluded with Professor Julian Savulescu from Oxford University Institute for Science and Ethics, and he concluded by saying, "The biggest threat that we face ahead of climate change, ahead of nuclear war, is the intentional or unintentional misuse of advances in biology."

5 That conclusion followed on about him talking about the runaway - once we start mucking about with genetics - they have got a life of their own. Genetic pollution is worse than chemical pollution. Chemical pollution you can clean up and it eventually will dissipate. I mean, it's done lots of damage in the process, but genetic pollution itself propagates and so, absolutely, rather than lifting regulation, we actually need to improve the regulation that we have and really try and keep pace or put the brakes on the pace at which these things are coming out.

Another of the programs in the last week - it's actually in many parts, is on eugenics. That is what we are delving into here. Issues of cloning. There is a whole bunch of issues that industry needs to sort out before that is allowed to go forth, for example, your prize bull. Can a clone, a prize bull clone, win versus one that has been naturally bred. Many, many questions. Fundamentally for me, I am concerned about the future for my children and their children. I have been looking at what has been happening in the States because they grew their first GM crop in the middle of the 1990s, so we can see 10 or 20 years now of what has happened there.

They are now wall-to-wall roundup ready because they put the roundup ready gene in almost everything, so the corn, soy, cotton, canola, all has a roundup ready gene in. Our GM cotton here - just back-peddle a bit. There are only two types of GM crops that have been commercialised and that is the round-up ready and the BT. They put the round-up ready gene in the BT here as well, and the next line of GM crops that is coming out is the 24D resistant. I have watched applications to change the organic standard to allow contamination in organics. The industry, when it implemented GM crops in the first place, did it with - assuming contamination in 0.9 per cent. I don't know where that number came from. I guess it's something they thought they could manage to in agriculture, but was there any health testing to see really.

The other thing is that with the transgenic, they are using antibiotic resistant marker genes as well as viral promoters. Viruses are good at crossing species' barriers, so in the gene cassette they ride the gene in on the back of viruses. I have not seen any testing of that. I have not seen if our regulators have even been looking at that. In the States it's very obvious that kids are presenting with adult diseases at an earlier age. We are starting to see that here and it's a whole - people are talking about an epidemic of allergies, asthmas, cancers, diabetes, obesity, behavioural

disorders, mental health problems, you name it.

5 An old adage is that food is thy medicine and medicine is they food. You fundamentally have got to look at what is happening with our food system. It's not just growing more. You have to ask, "What are you growing more of?" Here in Western Australia it is the Department of Agriculture and Food. I would like to turn it around the other way and talk about food and agriculture so that food comes first, our health comes first. We might start then to reign back in the health budget in WA which takes over a third of - one portfolio takes over a third of the state budget.

MR LINDWALL: Do you have any more comments you wanted to make or shall we ask some questions?

15 **MS COLLINS:** One comment is that there is almost nine days of recent debate in the Legislative Council of Western Australia on the repeal of the GM Crops Areas Act, so I would suggest that you have a look at that. It's really good debate, but of course there are many years prior to than in Hansard and there has, you know, been solid reasons all the way along as to why we need to go very, very cautiously with this, and why absolutely we need traceability, so that we know what we are eating and can look at what health problems might ensue.

25 **MR LINDWALL:** Okay. Thank you very much for that, Shirley. Now, I think we have to be clear, though, that in the Australian agreements between the state governments and the federal government, the federal government has responsibility for the safety of the GM crops and so forth. The state governments and their moratoria are purely about market access and price differentials, so - and you have spoken a lot about the science and the safety of it, so we'd better start there, I think, and then I think we should also talk a little bit about the market access and price differentials.

35 But I mean, Ken and I are not scientists, of course, but we have spoken to the Gene Technology Regulator. We have heard testimony this morning from an eminent professor on this topic, and they have said - and the OGTR is appearing at our Canberra hearings next week, and they have said that they apply the precautionary principle, and that the science is absolutely clear throughout the world that the World Health Organization, the US Food and Drug Administration and other organisations and scientist throughout the world, just like in climate change they have said that there is overwhelmingly strong evidence that it is safe.

What do you say about that? Why should we question the science?

45 **MS COLLINS:** Because the World Health Organization itself, the IARC

agency within that, has - okay. You cannot separate GM from the glyphosate. In fact, I like to talk about glyphosate modified organisms, because that is - the GM canola that we are growing here in Western Australia is about spraying the thing with - the crop with glyphosate, and the plant absorbs the glyphosate, just like a weed, but it doesn't die. Weeds die, and the plant - and the canola lives.

MR LINDWALL: Yes, so - - -

10 **MS COLLINS:** So we are getting - - -

MR LINDWALL: It has been modified so glyphosate doesn't kill it, yes, yes.

15 **MS COLLINS:** So we are getting the glyphosate coming through into our food. The government - - -

MR LINDWALL: But FSANZ has tested this and said that it is - - -

20 **MS COLLINS:** We have watched - since the introduction of GM canola here in the state, we have watched the application go to FSANZ to up the MRLs, to up the residue levels in canola and wheat, but also to allow more concentrated spraying over a wider window, and to allow them to use glyphosate or Round Up as a desiccant just before harvest.

25 Now, that could be exacerbating the health problems in the US, because they have been using it as a desiccant for many years. I have been hearing - - -

30 **MR LINDWALL:** But the WHO doesn't suggest that. It says that there is no evidence that that is true. Just because there is evidence of increasing obesity and other health problems in the world does not show causality nor correlation, does it? Between the use of GM products - - -

35 **MS COLLINS:** It is obviously complex, and it is - we are working with leading edge science here. I acknowledge - in fact, gene technology is old terminology. We know more now, and it is a fluid genome. It just - there is more too. You just - like, you are striker in one soccer team and then you go over and join another soccer team, and you know, if the team doesn't get the ball down to you, well, you know, you are not going to be able to shine like you used to before.

40 Context matters significantly. People have started testing themselves, because our regulators are not. How anyone can say we have been eating a million meals and there is not a cough or a snuffle from a result of eating

GM foods when there has been no labelling. I bet you don't know if you have eaten - you know, is there GM in those cookies over there or not? And if you have a reaction, what was it caused by?

5 And particularly if you are asked next week, you know, "What did you have today?" So it's tracing food, problems with food, is difficult.

MR LINDWALL: But you're basically saying that the GM, if it was - if those cookies did have GM, that it would be somehow harmful?

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MS COLLINS: I'm not implying - the science is - - -

MR LINDWALL: I mean, I don't know whether it is or not.

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MS COLLINS: Yes. There is conflicting science here.

MR LINDWALL: I don't think that - well, according to the Gene Technology Regulator there is no conflicting science. The science is very clear on it.

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MS COLLINS: One of the - - -

MR LINDWALL: I mean, some people who say that climate change isn't occurring are also saying there is conflicting science, and yet there doesn't seem to be conflicting science there.

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MS COLLINS: Yes, that was on Q&A last night.

MR LINDWALL: Yes.

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MS COLLINS: We heard that. I know that one. We were talking - we talked - - -

MR LINDWALL: I shouldn't ask that question, sorry.

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MS COLLINS: Brian Cox himself, actually, not last night, but he has spoken about commercial science versus independent science.

MR LINDWALL: Yes, of course.

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MS COLLINS: And it is very important that we have independent science. Are regulators are not calling for independent science, and when it was been - - - -

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MR BAXTER: Can I say, I don't think that proposition is correct. I

think that proposition, if I may be fairly strong about it, is false.

MS COLLINS: With respect to GM, I'm talking about here.

5 **MR BAXTER:** No, no, with respect to GM and with respect to other
possible areas of human harm, both the Commonwealth and the state
governments take a very active interest in seeking independent scientific
advice. And can I just say that I have had long association with
10 particularly the dairy industry in this country, and in fact before that the
wheat industry going back to about the early 1980s, and as long - and I
headed for some time the Dairy Research and Development Corporation,
which was funded by the dairy sector, and my assessment would be that
about 40 per cent of the scientific work that was either funded or
15 requested by the Commonwealth and the state governments was very
independent research.

Because a number of the inherent diseases that were in cattle, for
example, dairy cattle, were lethal, and they weren't caused by GM or
anything else. They were inherent livestock diseases. And there was an
20 insistence by the industry that there should be highly regarded
independent scientific research undertaken. I don't think your proposition
is right, with due respect.

MS COLLINS: The cases weren't mentioned by name this morning, but
25 there has only been two cases, two studies done in the world, on looking
at the human health impact of GM crops.

MR BAXTER: I don't think that proposition is right. Again, seriously, I
- let me go back, and I think it is important to say this. I took the action of
30 reading the whole of the initial court hearings and the subsequent Supreme
Court and High Court hearings in the *Baxter v Marsh* case.

MS COLLINS: Yes.

35 **MR BAXTER:** I then took the action of seeking the references, both in
this country and basically in the United States, Canada and Europe of the
independent science that took place, and there is a very considerable body
of credible independent science that doesn't support your propositions.

40 **MS COLLINS:** Yes, but what was the science doing? What was the
design of that experiment, and what was the purpose of it? You'll find
that a lot of them are production parameters for commercial interest. They
are not - - -

45 **MR BAXTER:** No, this spread across - - -

MS COLLINS: They are not toxicity testing. They are not long term. I haven't seen one on GM canola at all.

5 **MR LINDWALL:** But you don't trust the Gene Technology Regulator to give you reliable advice on the science, though?

10 **MS COLLINS:** I have been putting in submissions to the regulator over the last however many years, since 2008. And I have not been happy at all with the quality of their response. With the concerns that I have raised just as a member of the public, I have not been at all happy with the quality of their response.

15 **MR LINDWALL:** The scientists don't necessarily have good personal skills, I must admit on that.

20 **MS COLLINS:** The so-called discrediting of the two studies, the Seralini one and the Judy Carman one, which was partly funded by the Government of Western Australia, and quite frankly we would like some return on our investment - Judy Carman has done a response to FSANZ's criticism, and it is - if we were to - like, if my kids were to submit that as - FSANZ's work as an assignment at school, I reckon they would fail.

25 They have made comments that were about something that is not in Judy's report. I mean, the - - -

MR LINDWALL: But anyway - - -

30 **MS COLLINS:** You can look at - it's online, anyway.

MR LINDWALL: Shirley, could we - okay. I don't think we're going to get much resolution on talking about the science too much more, but Shirley, could we talk a bit about the role of the state government, which is the moratorium, if we're talking about it.

35 **MS COLLINS:** Sure.

40 **MR LINDWALL:** And about price and the ability for GM and non-GM to co-exist. I mean, the argument might be put, let me put it this way, that the non-GM product is being produced by Farmer X, and Farmer X is selling the product at a premium because some people believe that it is safer and that it is a nicer product or whatever, tastes better perhaps, I don't know, and Farmer Y wants to produce GM products and is being - where there is a moratorium, is being denied the right to do that, even though some people, scientists, would suggest that they could co-exist

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quite happily in the states.

5 I mean, GM does get produced in other states, so is not a state that has
a moratorium denying itself an economic opportunity? And you could
still have the labelling, so the non-GM producer can label the product as
non-GM and hence if there is a genuine price premium, and I must say
that in our draft report we didn't find much evidence to that, but
10 nonetheless if there was a price premium, surely that would allow the
market to devote resources to non-GM production because you can get a
higher price?

15 **MS COLLINS:** Yes, absolutely, but of course it is - the game is stacked.
It is not a level playing field. For starters, we have the Government of
Western Australia and the GRDC, which is a federal government agency,
you might correct me on this.

MR LINDWALL: Sorry, the GRDC?

20 **MS COLLINS:** GRDC, Grains Research and Development Corporation.

MR LINDWALL: Okay, yes.

25 **MS COLLINS:** So they are a big bucket of money which is compulsory
farmer levies. That comes from organic farmers as well as non-
conventional and as well as GM, and then that is match by some formula
with taxpayer money. So it is totally public money, the GRDC, and we
have got the Government of Western Australia, and they are in partnership
with Monsanto in Intergrain.

30 That used to be a public plant breeding asset within the Department of
Agriculture. The first - yes, so 2010 the share of that was sold to
Monsanto. The government now is beholden to its shareholders, which is
Monsanto, but the government is also beholden to governing for the
people in the public interest. I don't know how you balance that.

35 **MR LINDWALL:** I don't think the government would - I don't think
any Australian government would accept that its shareholders are
Monsanto. I think that is a proposition that I couldn't possibly support. I
mean, they would say that they are accountable to the people of their state
40 or their Commonwealth, as the case may be. And the amount of money
that comes from Monsanto is a tiny fraction of the tax money that is raised
in Western Australia and Australia generally.

45 **MS COLLINS:** Well, in the *Marsh v Baxter*, Monsanto funded Baxter,
Baxter's case, to - and that is still actually, as I understand it, trying to be

repealed.

5 **MR LINDWALL:** But I mean, the judgement was reached, and the Court of Appeal agreed with that judgement, and the High Court dismissed the appeal. Are you suggesting that the judges were under the pay of Monsanto?

MS COLLINS: I'm making - - -

10 **MR LINDWALL:** I mean, it does seem - - -

MS COLLINS: I'm making no comment about, I just - - -

15 **MR LINDWALL:** I think the judges are independent, and they're paid by the taxpayer.

20 **MS COLLINS:** Just to let you know, I did sit through pretty much all the days of the hearing, and I went to Canberra and sat over there. Ian Randles, who you heard earlier in the day, he was here with a video link. I was over there and watched and listened, and listened, actually, to the rustling that they were doing back here.

25 Anyway, there is a problem. There is a problem with single sourcing. We saw in the Baxter case where a chap called Patrick Rudelsheim, I think his name was, and he was Belgian, flown over here. He is helping the industry get through the regulators around the world.

30 A lot of the media or the countering of, like, what I might write when I write something about my - you know, I am concerned for my children's health and the quality of the water with all the spraying and the people in the city here that have multiple chemical sensitivity and have to actually leave their homes when glyphosate and Round Up is sprayed on there by the council.

35 So we have got big problems from that point of view.

MR LINDWALL: Okay. Well, Ken, did you have any final question?

40 **MR BAXTER:** Not really. The only thing I'd comment is that, as you've probably noticed, I've got a very large scar on the right-hand side of my face at the moment which is a result of my parents applying baby oil, coconut oil to me in the late 1950s while I sat on the beach without a hat on.

45 Now, do I turn round and say Johnson & Johnson, who were the

makers of that baby oil, were at fault for what I am now suffering? The answer is clearly no, I should be suing my dead parents for wrongly applying that has caused me harm 40 years later.

5 I just find some of this argument difficult to justify when credible science is not supporting it.

MS COLLINS: Can I - - -

10 **MR BAXTER:** And that is what we are testing at the moment, is trying to differentiate between credible science and scientific investigation as against stuff that, whether it is on the producer's side or it is on the side of the user, as to whether that can be substantiated.

15 **MS COLLINS:** Yes. One of things, I mean, particularly looking at the US again, is that the kids are at the front line. The kids and their parents are at the front line, and particularly mums. Their kids are presenting with these problems, and there's no genetic history, there's no history in their family before, and one of the ways they are alleviating symptoms is by
20 changing to, what they say over there, a GM free diet.

That is a broad term, but a lot of it is to do with getting the glyphosate and the Round Up out of their system.

25 **MR BAXTER:** Yes, but can I also - sorry to interrupt you, but the other studies, if you look across the broader side, are because too many parents in the United States of America and elsewhere around the world are feeding their children with too much food.

30 **MR LINDWALL:** Well, that's true.

MR BAXTER: And obesity and other problems arise, if I could put it very bluntly, as a result of parental neglect with the wrong type of food, too much of it - - -

35 **MR LINDWALL:** And insufficient activity.

MR BAXTER: - - - and insufficient activity.

40 **MS COLLINS:** There's - - -

MR BAXTER: And they then go and seek some sort of claim, or some sort of avenue, which might in fact avoid any criticism of their own personal behaviour.

45

5 **MS COLLINS:** It is complex. There is many factors at play here. But one of the things that the paediatricians who are at the front line dealing with these kids, the first thing that they are doing now is looking at their gut microbiome, and based on what is happening there with the imbalance in the gut ecosystem, if you want to think of it that way, you could liken it to the Great Barrier Reef. Once things get out of balance you've got a problem happening.

10 So - and there's - I mean, again, we're at the leading edge of what we know here, and we've got good scientists here in Australia looking at the gut microbiome and what's gone wrong, you know, what's making it cause - and some of - solutions are coming aplenty at the moment. One is to have a faecal - you know, faecal tablets.

15 **MR LINDWALL:** Yes, I saw that on TV. But I am going to have to interrupt you, Shirley, because unfortunately we have run out of time. It's four minutes - - -

20 **MS COLLINS:** Okay. Can I just - one point there?

MR LINDWALL: One very quick point, yes.

25 **MS COLLINS:** Yes, is that pesticides is part of what's going on there, and glyphosate is a chelator, so it is binding the micronutrients in the soil, in the plant, in the gut, and the GM is exacerbating those problems. We need more science, not less. We need careful regulation, not throw it away, and we need, absolutely need, traceability, so that we can know what it is that we are eating and be able to properly work out what's happening with our health and try and rescue our budget.

30 **MR LINDWALL:** All right. Well, thank you very much for appearing then, Shirley.

35 **MR BAXTER:** Okay, thanks, Shirley.

MS COLLINS: Thank you.

40 **MR LINDWALL:** I think we have got Meg Wilson appearing next, is that right?

MS WILSON: Yes, thank you. And I wish to say how very much I appreciate being squeezed in at the last moment.

45 **MR LINDWALL:** Look, no, not at all.

MS WILSON: Much appreciated.

5 **MR LINDWALL:** Please if you could just - if you represent an organisation please say your name and organisation and then give us a little statement, if you like.

10 **MS WILSON:** Yes, well, I actually take a lot of interest in the work of many organisations who seek to protect the interests of our country in relation to food safety regulation and that sort of thing. So you know, in a very broad way I'm heavily involved.

MR LINDWALL: Yes, yes.

15 **MS WILSON:** Now, just an analogy was made - - -

MR LINDWALL: Sorry, sorry, please - - -

20 **MADAM ASSOCIATE:** Can I just get you to speak up a little, because we're having trouble hearing? They're not actually microphones. They're recording microphones, but they're not microphones. They're not amplifying the sound for us behind.

MS WILSON: I see, all right.

25 **MR LINDWALL:** So maybe you have to turn the microphone a little bit this way or something.

MS WILSON: Right.

30 **MR LINDWALL:** Is that better?

35 **MS WILSON:** Is that better? Yes, okay, sorry. Yes, just very briefly, an analogy was made to climate disruption or climate change saying, you know, there are people who claim it's not occurring. Just as a matter of interest, the United States military is already acting on the assumption that climate disruption is occurring and in fact there is certainly evidence of it in their country, in their own country. They are very concerned about it. They are acting on it. I think that is enough to say on that.

40 Secondly, the scope of this inquiry does not include consumers or the Australian people. Now, that is something - - -

45 **MR LINDWALL:** I think I should say that if you read the Productivity Commission Act it says our primary duty is to look after the wellbeing of the Australian people. That is our primary duty, and that is what I hope that has been reflected in our draft report.

MS WILSON: I hope so, because it is of great concern that we are seeing the consumer very much sidelined in so many things that are happening lately. It is all very one-sided. Now - - -

5 **MR LINDWALL:** What, in the report? I should - - -

MS WILSON: Well, in the scope, it doesn't mention the consumer, interestingly enough.

10 **MR LINDWALL:** Well, the terms of reference of any inquiry say what the terms of reference say, but when we undertake an inquiry we're bound by our own act to look after the wellbeing of the Australian people irrespective of what the terms of reference say.

15 **MS WILSON:** The Australian people are key stakeholders. They are the beneficiaries of whatever decisions are made.

MR LINDWALL: Yes.

20 **MS WILSON:** And that is good or bad, and I am afraid in this case it would be bad. And I would point out that we are not just talking about consumers, which are now, by the way, downgraded to end users, which I find rather curious and insulting to the Australian people, consumers are in fact the clientele of the agricultural sector, and their supply chain.

25
Consumers are the clientele. They are the market drivers, and they are the sustainers of the industry, agricultural industry, at all levels. And this must be remembered. So I am saying that if any other business tried to set itself up as being reputable without any regard to the wants and needs of its
30 clientele it would be laughed out of town. We need to remember that.

35
Now, I notice that you are wanting a review into the gluten content of foods. Now, I am wondering why has only that ingredient been focused on? Are you also, by the same token, going to consider the content of nuts in foods?

40 **MR LINDWALL:** Okay, yes. Could I mention that the reason gluten was raised in the draft report was because that was brought to our attention during our - by submissions and by meetings. If you wanted to raise now peanuts we can certainly talk about that too, but - - -

MS WILSON: Well, not just peanuts- all nuts.

45 **MR LINDWALL:** Yes.

MS WILSON: There are some people for whom even a slightest trace of nut is life-threatening, it's an emergency, it's a medical emergency, and I know of

5 mothers in primary school who sit by their student, by their daughters or sons all day long and go on all outings and so forth with them to ensure their safety. Now, gluten free is equally a concern, because of any traces of gluten. You have to remember that all food is assimilated at a molecular level. All traces of gluten in food are life-threatening, ultimately, to people with coeliac disease.

MR LINDWALL: Are you literally saying one molecule of - - -

10 **MS WILSON:** Yes. We don't - one - - -

MR LINDWALL: Well, then, I - - -

15 **MS WILSON:** One crumb - one crumb of gluten may be enough to set off an inflammatory response, and I can give you documentation to support that, yes. I just happen to take an interest because we know - we have a number of friends with a coeliac condition, and I know when we visited overseas they were pointing out how difficult it was there to get gluten free food, so they seldom ate out, and there were many products that they simply rejected.

20 The simple answer to that is, if you're going to allow producers a certain level of gluten in food, that means that those producers are not dedicated, are not dedicated to providing a genuinely gluten free product, and they should be out of that business. That's the end of their business.

25 **MR LINDWALL:** Could I ask something on that in particular?

MS WILSON: Yes.

30 **MR LINDWALL:** I mean, what we mentioned in the report is that the - and I don't know what the levels are, but in the United States, as far as I understand, they have a particular level which is considered the maximum that should be present of gluten in a product to be labelled "gluten free".

35 **MS WILSON:** I believe it is the same in the UK.

40 **MR LINDWALL:** Yes. In Australia, we don't have that, and as equipment becomes more - technology becomes more advanced, you can measure the quantities of something to ever finer levels, and it means that ultimately that products that would be labelled gluten free in, say, the United States or the UK are not able to be labelled gluten free here, because once you can measure an amount - so if that is true, what you are saying, that any amount, in other words that even one molecule is enough, well, that is below the capacity to detect at the moment.

45 I mean, all of the instruments are getting more accurate and more precise, but no instrument, as far as I'm aware, is capable of detecting one

molecule.

MS WILSON: That presents a risk.

5 **MR LINDWALL:** Unless you do an electron microscope - - -

MS WILSON: Yes, electron microscopy is a possible answer to that, yes.

10 **MR LINDWALL:** But that would be phenomenally expensive to scan every bit of food with an electron microscope.

15 **MS WILSON:** They now have high resolution electron microscopy. There have been big advances in that area, and I don't think that would be particularly difficult, and considering the liability issues. And also, when you think about it, why is it that we now have so many allergies, and particularly why do we have this gluten problem?

20 Now, it arises - if you trace back the history - it goes back to ancient times, around 10,000 years ago when eating wheat first arose. It takes thousands of years for people to adjust – as it did in the course of human migration to a tolerance of lactose, for example. So too, to a tolerance of gluten. But if you go back to the ancient grain, and I have already discussed this with other people, it was very low in gluten. The ancient grain is markedly different to the grains that are used today, for instance wheat, modern wheat. It is quite different.

25
30 Wheat is capable of polyploidy. The initial - this is just by way of interest - the early wheat had only something like 14 chromosomes, and from memory the modern industrialised wheat now has something like 42 chromosomes. And it is all the hybridising, even without GM modification or anything, that is believed to be responsible for this outbreak, you might say, this epidemic of people suffering coeliac disease and gluten intolerance and wheat-related disorders.

35 Now, that hasn't been looked at.

MR LINDWALL: So there wasn't an ancient coeliac in ancient Rome or something like that?

40 **MS WILSON:** No. Well, obviously I don't know whether they had a coeliac problem, but reading the history of it, it was 10,000 years ago that people were first introduced to an agrarian society.

45 **MR LINDWALL:** The Agricultural Revolution with those crops.

MS WILSON: Yes, and it has taken around 10,000 years for people to adjust. I think it was only in the late 1800s or 1900s that they began to

experiment with the hybridisation, and you get a quite different outcome. You get modern industrialised wheat.

5 **MR BAXTER:** Although I'd have to add that if now the Chinese bureaucratic letter works are being translated into English, that in fact the Chinese were well ahead of where any European civilisation was, and you could perhaps go back, you know, thousands of years, and the Chinese have been doing it for a long, long time.

10 **MR LINDWALL:** Ken and I might have to disagree on that point.

MS WILSON: They used wheat? That's why they mostly use rice, don't they?

15 **MR LINDWALL:** But I mean, I will point out that I watched a program the other night, and it said that pasta was introduced from the Moors into Sicily, and that had high gluten content, because to make pasta one needs to have a high protein content.

20 **MS WILSON:** Yes, I was reading - - -

MR LINDWALL: And that - so the wheat that was brought by the Moors into Sicily at that time, about 600 years ago, if I'm not mistaken, was of very high gluten content, and that then fed its way through - sorry, that was a bad analogy. It then went through into the Italian diet, of course, with the pasta and so forth, but yes.

25 **MS WILSON:** Yes. That's a commercial convenience. Yes. Okay. So I'm conscious that I might be taking time from other people. I'm not quite sure - - -

30 **MR LINDWALL:** No, no, you've got - I'll tell you when we're running out of time, but - - -

35 **MS WILSON:** Okay. Now, just very quickly, because this is only a draft submission. I'm hoping to get it in by the 18th. Now, a great concern is arising about these plans to deregulate. That's the last thing we want. And we strenuously oppose this move, and we urge you to retain our existing high standards and regulations - - -

40 **MR LINDWALL:** Deregulate what, sorry?

45 **MS WILSON:** - - - in Australia which distinguish us - for which Australia has an enormously good image abroad. But also, just before I go onto that, when you were talking, you know, "UK does this or some other country does that," I would like to see Australia to be a leader in its own right and not to have an infantile dependency on the data coming from other countries, and

5 that is one of the criticisms that we have of the current regulatory system, where OGTR depends heavily on the data supplied to it - biased data quite often, and low quality data. They admit that some low quality data is submitted by GM applicants, and this is something that we also need to keep in mind.

10 I am just pointing out too that this move further deepens the lack of trust in government at both state and federal levels, and I am hearing this a lot, even from people I hardly know, just coming up in conversation, a deep distrust, and this I think virtually cements that distrust. You need to do a lot of work in rebuilding that trust through connecting again with the community. Through bridging this enormous disconnect between those in government and the community.

15 So I am saying deregulation is a very bad idea. We need stronger regulation and not weaker in the best interests of Australia and its security, and this lowering of standards would be a terrible legacy for the government to leave. We are aware of the inordinate pressures placed on government by lobbyists acting for the giant biotech corporations - sorry, by paid lobbyists acting for the giant biotech corporations. Only a weak government bows down to these pressures, and we hope that our government will be strong in such matters.

25 All indications from our research on the subject are that deregulating would not achieve the goal suggested. Indeed, Australia would have a great deal to lose, not least our national regulatory sovereignty and our freedom.

30 There is honour in deciding not to deregulate and in strengthening our protective laws.

35 Yes, and there is ample reason to conclude, as many have, that the inordinate pressure on our government to allow the introduction of GMOs into Australia is to provide a level playing field for those countries like US and Canada which have suffered badly by taking the GM path, and I think they would be jumping up and down in glee if they knew that we were going to take that path as well, because that is good for them, bad for us, but good for them.

40 They are now stuck with it, and most Americans are rightly angry about it. It is blatantly obvious that the government is pandering to certain overseas interests. As key stakeholders, we as Australian citizens are outraged by this attempt to deregulate within the agriculture sector and its supply chains in ways that we believe would adversely affect Australia and its citizens and their future wellbeing. It shows a cold, calculated and callous disregard for the community and the country.

45 The Australian government seems detached and far removed from its

5 people. I mentioned the process. The public are key interest groups, affected parties. They are key stakeholders. Yet by being excluded from the scope - I don't see a mention of them - they are not in the decision-making process, as far as we know. This recent erosion of democracy which characterises the current trend of elitism is disturbing and unacceptable.

10 If any burdens are borne, they are borne by the people of Australia and by its environment, and I have suggested that we also have an inquiry into the irregular burden that is increasingly placed on the consumers, the people of Australia.

15 There is a public perception that the push for deregulation is driven by lobbyists for foreign multinational corporations and their self-interested shareholders. These corporations are faceless. They appear to be a law unto themselves with no allegiance to any country with this.

20 We believe this push for deregulation is to pave the way for the unpopular and highly contentious Trans-Pacific Partnership, the TPP, which is all about deregulation, and that is quite - - -

MR LINDWALL: Oh, I don't think it is all about deregulation.

MS WILSON: I think it is.

25 **MR LINDWALL:** We wrote that in our trade and assistance review that the TPP and other preferential trade agreements are definitely not about deregulation.

30 **MS WILSON:** You would like us to think that, yes.

MR LINDWALL: They are probably about re-regulation, in some cases.

35 **MS WILSON:** Previous trade agreements were all about tariffs. For the first time it is about deregulating, and that is the very big concern about the TPP.

MR LINDWALL: I don't agree with that.

40 **MS WILSON:** Well, we're free to disagree.

MR LINDWALL: That's all right.

MS WILSON: Okay. Paul. Yes, my husband's Paul.

45 **MR LINDWALL:** It's a good name.

MS WILSON: Yes. So once this is grasped, we should all care, because

deregulation is very likely to have an impact on the lives of all of us. This deregulation is designed to stimulate economic activity by tearing down regulatory barriers, ostensibly making farmers in the supply chain richer.

5 However, these regulatory barriers, far from being useless red tape, exist to protect both farmers and the public, on issues such as ongoing land clearing leading to drought and climate disruption, issues such as increasing toxification of our agricultural lands - of our soils and food supplies giving rise to human health and animal welfare problems, everlasting contamination
10 of soils and poisoning of waterways - this is a draft submission, so it's not quite polished up yet - and loss of vital, absolutely vital, biodiversity. And we are astounding in Western Australia for our biodiversity hotspot, which we are very afraid of losing, especially with the exemptions being given to the ban on clearing so that farmers are now probably clearing, for all that we
15 know, thousands of hectares of biodiversity-rich bushland in the southwest – possibly because of mismanagement. Because they are probably not managing their farms properly.

20 And there is also a great benefit from retaining biodiversity for biosecurity reasons.

25 So I am saying we are wrecking our chances of continuing the great agricultural successes we know and are so proud of. At present, Australia out-competes other countries with its high-quality high-value foods, despite some loss to its prized clean, green and GM-free image after allowing a GM foot in the door. I am saying that it is because we have a competitive edge because of our clean, green - or what was a GM free image, that they want a level playing field because they are being outdone.

30 There is no doubt in the minds of many that it is difficult to imagine why government, whichever government, could be so naive as to believe otherwise unless they are secretly behoven to the corporations in some way.

35 Deregulation favours industrialised farming, and there is a lot I could say about that. Industrial farms with absentee owners destroy our rural communities. It is totally exploitative, with no respect for the land, with no care for the irreversible harm done, no accountability. With more mechanisation there would be more unemployment in the rural sector. As the scope of this report reveals, increasingly we are seeing the focus being forced
40 on transportability and short-term yields with ever less focus on nutrition and healthy foods for the people of Australia.

45 This benefits the multinational agri-chemical companies and food biotech companies.

So I have gone into who loses and who benefits.

MR LINDWALL: But you'll put this in a submission to us on this?

5 **MS WILSON:** Yes, this is in a submission from us. I'm trying to make this talk short so that I don't take from other people. I am saying, is this push for deregulation designed to pave the way for a TPP through the back door? And we agree to disagree. I think it is.

10 The TPP focuses, as this does, on non-tariff barriers. Does this mean that the government is prepared to discard anything that gets in the way of trade and investment, including laws that protect us and our Australian environment? It appears so. This would be outrageous.

15 The TPP is widely regarded as highly suspect. A pending disaster. This is from another submission on the TPP. Benefits touted lack credibility. We need to know potential costs. We are already being given a bad taste by WA, the WA government, of what lies down a path of deregulation. And I have listed here the impacts that deregulation would have. It would have major impacts on every aspect of our lives. We would no longer have the social safety nets or health safety nets. It would further erode our regulatory sovereignty and our sovereignty generally, especially our food sovereignty.

20 The loss of our sovereignty already to foreign biotech food corporations is alarming. It would be - deregulation would be designing our rules to benefit foreign corporations at the expense of Australia. It would undermine accountability. Who would be accountable for what? It would be hard to hold anyone to account. It would pave the way for a TPP. Having got a TPP in through the back door this way, would we then have the ISDS, the investor-state dispute settlement, next, which allows for foreign US corporations investing in Australia to sue our government for loss - - -

25 **MR LINDWALL:** Excuse me, I must point out that the PC did say that we didn't favour ISDS, so I think we agree on that one.

30 **MS WILSON:** I am remembering it, and I'm just - well, that is good.

35 **MR LINDWALL:** And actually, I think we also agree that the TPP is probably not optimal for the country, but anyway - - -

40 **MS WILSON:** So that's good, and I hope that this will be another voice in that direction. It would undermine environmental protection, which would have adverse effects on human health. Now, that is absolutely critical at the moment. Environment is in dire straits at the moment. Land degradation is Australia's worst problem, and we have to address that, and that is being quietly kept to the side.

45 This is something you must address in discussing the agricultural sector. A great deal more needs to be done in protection of soils and land care, all

5 those things that protect our environment. And also I am thinking about the drought in Queensland. This has been attributed to clearing, by the way. The extent of the drought, the length of the drought has been attributed to clearing, and that is quite shocking, actually, and we seem to be going down the same path here.

10 History is repeating itself. If you remember in the Middle East, the Middle East was once lush with forests, oaks, beeches, spruces and all that sort of thing - - -

MR LINDWALL: Go and see Petra, Jordan, yes.

15 **MS WILSON:** Yes, and the Sahara Desert was covered in vegetation, but through ignorance, I would say, in early times, and poor land management, that vegetation has been lost. We have the soul destroying images on television of seeing wars there as a result of over taxing the environment and its resources, and that is a terribly sad thing. Terribly sad. We don't want that to happen here. We don't want history to be repeating itself here so that we allow - you know, this is parliamentary deregulation, allowing more
20 clearing. It is happening in our south west. We have seen the devastating effects in Queensland. We do not want to go down that path. Yes, yes.

MR LINDWALL: All right, thanks, Meg. I think we should wrap it up shortly.

25 **MS WILSON:** Okay. Thank you very, very much. And I'm - just one quick thing. Australians, like Americans, are waking up to the vast difference between public and private benefits. The TPP is viewed as a Trojan Horse in a global race to the bottom, giving multinational corporations and Wall Street
30 banks a way to eliminate any and all laws and regulations that get in the way of their profits.

35 This includes laws and regulations that protect human health and the environment, and I thank you very much, both of you, for being here today and allowing us to speak.

40 **MR LINDWALL:** Thank you, Meg. Thank you, cheers, bye. All right, well, our thanks to Meg Wilson now, and now we will have - is it Jan Cooper and Torben Soerensen from the WA Pork Producers Association? Welcome. Would you like to say your name and organisation just for the microphone, and maybe a little introductory statement would be good?

45 **MS COOPER:** My name is Jan Cooper. I'm the Executive Officer for the WA Pork Producers Association. I might let Torben introduce himself, and then we'll - - -

MR SOERENSEN: Yes. So my name is Torben Soerensen, and I'm the

5 Treasurer of the WA Pork Producers Association. I'm also a delegate member of Australian Pork Ltd. I've got a Masters degree in Agricultural Economics from Copenhagen University, and I'm the managing director and part owner of GD Pork, which is a local pork producer in Western Australia.

I think our plan today is to talk a bit more and elaborate on our submission and answer any questions you might have.

10 **MR LINDWALL:** Excellent, all right.

15 **MR SOERENSEN:** I might start just with a little bit of personal experience which has been fed into our submissions as well. So I'm actually, which I indicated before, originally from Denmark. And just a bit of background on that is - - -

MR LINDWALL: My wife's ancestry is Danish too.

20 **MR SOERENSEN:** Very good. There's not that many of us in Australia. And just on that, actually, Denmark, if you don't know, is a size smaller than Tasmania and produces 30 million pigs every year whereas in all of Australia we only produce 4.7 million pigs a year, so just a bit of context. So obviously we pride ourselves in Denmark on being good at pig farming and that is the idea behind our business, is to transfer some of that knowhow here to Australia.

25 Now going back to 2012, we bought our first farms here in 2007 but in 2012 we decided we wanted to expand quite rapidly, we wanted to double the size of production on two sites. And we started lodging applications with the various governments, levels of government, local government and state government. Now what should have been a 60 day process and a 90 day process respectively turned into a two and a half year process. And I think in our submission we touched on as many different pieces of legislation and regulation that governs it and that's part of the reason.

30 But a fundamental issue I found was not so much that there was anything wrong with the regulation, of course we should tidy up and just use the most recent ones and most scientific ones, but it's more to do with the actual approach from individual officers. Not knowing what to do and who put barriers in place rather than help facilitate. And that's the message I tried to get across because, to the West Australian Government as well, because I often get the question, "What shall we do to clean up red tape, tell us which regulations to remove?" And it's actually where to - we pinpointed a few that you can remove or you can tidy up but it's

more to do with an attitude and the way they process rather than actual regulations.

5 **MR BAXTER:** Who actually has ultimate control of the regulatory regime in Western Australia, the Department of Agriculture or some other department?

10 **MR SOERENSEN:** No, and that is a massive flaw, I think, and correct me if I'm wrong here again, but the Department of Agriculture is actually a bit of a toothless tiger because they don't have the regulatory control, they're more a facilitator than anything. It's the Department of Environment Regulation that's obviously got the majority of control over the environmental side. And then we've got local government and with bigger projects that is the Planning Commission, which just falls under the
15 state.

MR LINDWALL: Please continue, sorry.

20 **MR SOERENSEN:** Well I don't have much more to add to that.

MR LINDWALL: I see.

25 **MR SOERENSEN:** We wanted to touch on the environmental side of things and we wanted to touch on animal welfare.

And I don't know if you want to start with animal welfare, Jan?

30 **MS COOPER:** Yes, perhaps I will just add a little bit about the animal welfare. You asked the question of one of the people earlier about views on the independent body to have oversight of animal welfare. And I suppose on the face of it we think that probably is a good suggestion but the issue is in the implementation and whether it could be truly independent. And, you know, a lot would depend on who was selected to be on that body. And based on our experience with similar things in the
35 past the independence can wax and wane depending on who is selected and what the balance is between that representation.

40 Because I think the emphasis on community attitudes and society's views could quite possibly overtake the science depending on the balance on that group. And we think that if something like that was to be agreed to it should start from the proposition that animal production is accepted as a fundamental, that there should, you know, never be any question of that, and so that should then inform who is selected to go on there. Because to have groups on there who fundamentally disagree with
45 livestock production is going to be counterproductive.

5 **MR LINDWALL:** But on that, Ken and I recently visited in Wellington New Zealand and we spoke to - and I can't remember the name of the organisation - that does have an independent body in New Zealand and that has a very broad representation and has a lot of credibility. But of course, as you say, there are individuals and groups who hold that no animal production is worthy at all, but they are not represented on that body in New Zealand.

10 **MR BAXTER:** No, that's right - - -

MR LINDWALL: Because their goals are fundamentally opposed to the objectives of that group.

15 **MR BAXTER:** It's the National Animal Welfare Committee.

MR LINDWALL: Yes.

20 **MR BAXTER:** And very effective. And very highly regarded.

MS COOPER: And I must confess, I don't know a great deal about it other than to say that I guess New Zealand does have a slightly different geography to us and perhaps a different - - -

25 **MR LINDWALL:** And government structure too?

MS COOPER: Yes.

30 **MR LINDWALL:** Yes.

MS COOPER: So they may not be completely comparable. And at the risk, I suppose, of being parochial, we in WA can sometimes feel a little bit marginalised on some of those groups. It's hard to get representation, it's difficult for us to travel to Canberra - - -

35 **MR LINDWALL:** Well it's cheaper to fly from Canberra to Wellington than from Canberra to Perth.

40 **MS COOPER:** Yes, exactly. And we see this often in other areas feeds into a disregard to the export orientation that we have here in Western Australia that isn't well understood in some of the other states and so if we're getting down to the economics and the cost of production kinds of issues, we don't want to see a situation where we're restricted to a greater extent than to the people we're competing with. Whilst fully recognising

the need to be compliant with animal welfare science, we do have to have an eye on who we're competing with.

5 **MR SOERENSEN:** Yes, that's right. And in terms of speaking just about the pork industry and animal welfare, I would like to use the term
10 stricter animal welfare regulations rather than higher animal welfare regulations because we actually already are quite significantly regulated and voluntarily regulated in the industry. And as Jan just touched on, especially in Western Australia we have quite a significant export of pork
15 into Singapore and competing with European countries and North American countries, which also are regulated for animal welfare, but what we would not like to see is that we get imposed with stricter regulations than they are.

15 **MR LINDWALL:** Yes.

MR SOERENSEN: Of course if the science is behind it that's fine but it's not always the case that the science is behind it.

20 **MR LINDWALL:** I have a lot of sympathy with your point about attitude of officers enforcing laws. And I wonder if you've got any
25 guidance for us because it seems to me you have two types of regimes, and one is a strict black letter law where the officers have no flexibility, they have to apply very rigorously, and then they encountered differential aspects here and they can be overly prescriptive to someone who might be marginally non-compliant rather than helping them get compliant.

30 So that regime, that black letter law, doesn't seem to work very well because it lacks flexibility. But then if you go to the other side and say well we have a more flexible regime, some officers are more accommodating and others are not. So it seems a dilemma that you either have the system which is less flexible or more flexible, and then of course if you have more flexibility then the quality of the officers and their training becomes very crucial. But how do you improve that, do you have
35 any ideas?

40 **MR SOERENSEN:** I think in my experience, look, in the beginning of the process I dealt with some very junior officers and if I was in their shoes and didn't have more guidance than they had at that point in time I would probably also have a tendency to go like this, being afraid of making a wrong decision and - - -

MR LINDWALL: It's easier to say no than yes, isn't it?

45 **MR SOERENSEN:** Exactly.

MR LINDWALL: And it's also risk aversion is very much in the public - - -

5 **MR SOERENSEN:** Rightly so. I suppose when we came further into
the process and we elevated it higher up the food chain and we actually
found out that what we wanted to do was in line with the government
policies and we ticked all the boxes there was just a lack of
10 communication from the senior officers to further down the chain of what
they should agree to. And that also fed back to how did we approach an
application, there was not enough guidance, I suppose, about how to
submit an application and what is required for an application and therefore
we were shooting very widely.

15 And I think we mentioned in our submission that we then get met
with requests about can you please do another study more because we
want a bit more about this, which is easy to say but that's another \$30,000
to our consultant. And in fact I ended up on one particular site where we
were in and are now investing \$12 million, we spent half a million dollars
20 in consultants and lawyers to get it over the line, which is ridiculous.

MR LINDWALL: Yes, it is, yes.

25 **MR SOERENSEN:** Yes, and it's probably pure stubbornness but he kept
pushing it. So I'm not sure what the answer is, I manage staff myself and,
you know, it's easy to say it's about managing staff and getting divisions
clear for the staff but I have a feeling it's a part of the - - -

30 **MR BAXTER:** Can I just, if you take us through the sequence of your
operations?

MR SOERENSEN: Yes.

35 **MR BAXTER:** And of course what you're saying is very similar to what
Wellard said to us, that there are two main areas of regulatory control; one
is actually on the livestock side itself; and yet the other one is mainly
coming from local government and other agencies in with the processing
and related facilities and effluent disposal and that sort of thing. Is the
experience you've had the same for - well, have you experienced the same
40 sort of regulators and is the experience you've had with both sets of
regulators, or others, the same or does it vary a great deal?

45 **MR SOERENSEN:** Well in our case, so local government - and the two
properties in question are in two different shires.

MR BAXTER: Right.

MR SOERENSEN: So local government would have to give us planning permission to go ahead and put a piggery there in the first place. And they
5 feel, local government feel, obliged to consider environmental issues in that process. However they don't have the expertise to do so. So they tend to send the questions off to the Department of Environment Regulation. But in our process that didn't seem to work, there was, I don't know, upheaval within the department. They didn't get the answers
10 back anyway so they had to form their own opinion. One shire did, in my view, of course, the right thing, they gave us approval, planning approval, within the statutory timeframe of 90 days and there was no issues because we had a history with them of performing well. The other site was new, we were new owners of that site, and the shire took a very different
15 approach and kept dragging us along.

The Department of Environment Regulation, that's where we then lodged for getting - because piggery, intensive piggeries are prescribed premises, we need a licence to operate. So that's where you lodge a
20 licence - an application not only for a licence to operate but first of all a works approval to actually build the facilities. And the thing is as well then local government will in principle issue a planning approval but they want a works approval first. But we came into the situation there was a change of regulation in Western Australia where the Department of Environment said we will not issue works approval unless you have a
25 planning approval.

So the first shire was pragmatic about it, they said well we'll just issue a planning permit subject to the fact that you later get a works
30 approval, whereas the second shire said, no, we don't want to do anything. And then we had a stalemate we had to resolve as well. So who goes first? And I would say that at the end of the day - so I dealt with the Department of Environment Regulation, being a state body, I dealt with them, the same people, for the both sites so their approach was similar and
35 the issues were similar for both sites, and a very frustrating process which, as I said, had to be elevated to higher up to be resolved.

And in terms of the shire, well at the end of the day, with the second site I did rely on some early advice from the shire staff to say that they felt
40 confident that they would handle the process so there wouldn't be an issue. However, in hindsight I should have taken the opportunity I had to lodge that application with a higher body because it was a significant size project. And that's what we have ended up had to do, we had to fall away from the first application and we lodged it with what's called the WA

Planning Commission which can make a decision because it's a bigger project, significant project.

5 **MR BAXTER:** And how long did all this take you, how many years?

MR SOERENSEN: So two and a half years.

MR BAXTER: Yes, as you said, that's amazing.

10 **MR SOERENSEN:** And so, look, and in the process I've come across a lot of people working in the Western Australian Government and also politicians and they all say they want to take notice of what happened to me and use that as a case to improve the system but that's little confidence once you've been through the ringer on some things, so.

15 **MR LINDWALL:** I can understand all that so I should ask another area, which is about what some of the questions we asked about of this animal welfare side were about trespass, so has that been an issue that you've been cognisant of?

20 **MR SOERENSEN:** Well it has been but not for us particularly, personally our farms, but it has been in Western Australia. And yes, me personally, I'm not speaking for the organisation, but if these people want to get in they'll get in. So the best think you can do is to have your house in order. But so really what concerns me the most is, as you have pointed out in your report, is about security issues that comes with that. And I think our national body has even tried to get into a dialogue and say can you please observe biosecurity rules when you do this and not go from one farm to the other within the same night.

30 **MR LINDWALL:** Yes. Yes.

35 **MR SOERENSEN:** But of course they're talking for deaf ears. They're not listening to that. But to me, and again, export is significant, income is significant, so bringing diseases around to different piggeries can devastate an industry. And we've had that discussion earlier today, look at the media and followers and be presented to look bad even though they might not actually be bad, so let's put that discussion aside. But just the fact that they can devastate an industry by biosecurity and breaking those rules is terrifying.

40 **MS COOPER:** And counterintuitive to the whole animal welfare message as well.

45 **MR SOERENSEN:** Yes.

5 **MR LINDWALL:** Yes, quite. Although this is part of the reason that we put that recommendation for the independent body, we thought that that would create a bit of credibility, and I'm not sure it would or not, but this is what we argued, and that there would be less justification for - I mean, there's never any justification for trespass, obviously, but less justification for people to act in a manner such as a vigilante. So I take it when people - and we've heard about trespass, so there hasn't been any prosecution?

10 **MR SOERENSEN:** I don't think we have any prosecution yet in Western Australia. I think the first case we saw we were successful in getting the footage taken down from the Internet again in Western Australia, the first one we saw just last year.

15 **MR LINDWALL:** Can you talk about the conflicts between intensive agricultural production such as piggeries and areas - I'm not so sure is an issue so much here in Western Australia but it has been somewhat in New South Wales and Victoria, where residential areas start moving out and there gets to be a bit of a conflict, if you like?

20 **MR SOERENSEN:** It has been an issue here. So the first site I talked about we have, we bought that farm in 2007 and the previous owner had had a piggery there for probably 30-odd years. In all that history and up until 2012 when we lodged our planning approval there's never been a complaint about the piggery. The minute I lodged the planning approval application and it had to be advertised there started to be complaints about smell. And really we went into a process then with the Department of Environment Regulation trying to either substantiate or show that it wasn't a problem. And the same few residents had lodged probably 30 70 complaints within a few months' timeframe and none of them were substantiated.

35 The shire didn't take, or it didn't obstruct - it refused to obstruct the process in the sense that I said look you're in the right planning frame, you've done the right thing, you're ticking all the boxes, the complaints can't be substantiated so we're going to prove it. But the minute you sort of put yourself out there because you're being advertised, as you have to do in these applications, you are a target. A lot of them wouldn't have even known there was a piggery there before it was advertised.

40 On the second site well the shire actually made the problem worse because we mention in there there's some old WA guidelines from 2000 that are no longer being used in practical terms but they're still the documents are sitting out there, and they talk just an area about a five 45

kilometre separation distance for piggeries, which is absolutely ridiculous once you have modern science you don't need that much. In fact at that particular site we only need a few hundred metres when you do the modelling.

5

Anyway they took that and therefore they sent a letter out to everybody within the five kilometre radius, 600 people. And the nearest one, mind you, being 1.2 kilometres from the site. And of course that's going to stir up emotion because by default people think well there must be something wrong because the shire has contacted me. And subsequently 60 submissions were made against it anyway. So it's certainly an issue here as well and we need a clear planning framework. So the first shire again said, look, you're in a rural area, it's a rural zone, we want to keep it that way, that's our policy, so you're doing the right thing. There is people moving in, buying a hundred acres, using it as a hobby farm, and they think differently but it's not what the planning is so they're attitude was buyer beware, which is great. But unfortunately that's not always the case from local government.

20 **MR LINDWALL:** How does it work in Denmark when you have 30 million pigs and it's a much smaller area, geographic area, and obviously some of those issues would manifest themselves over there too?

25 **MR SOERENSEN:** So, and I've thought a lot about that, and I think that part of it comes down to probably just history. Pig farming is not well known in Australia, it's not widely spread as it is over there, so people are not used to it. But new farms in Denmark would be approved with only 300 metres to nearest residence. So it's much less of an issue. Of course it's an issue when if you're right next door to one in Denmark and it's not managed properly then you might say there is an issue. But I suppose it's the history behind it that people are prepared to accept a lesser distance.

30 **MR LINDWALL:** But if the farm is managed properly obviously the animal welfare issues are much less acute, or the welfare of the animals is better.

35 **MR SOERENSEN:** Both environmentally, smell, and animal welfare, has to do with management. You can have an old run down piggery or you can have a brand new one, if you don't manage the brand new one correctly you will have odour and if you don't look after your pigs in your piggery you will have animal welfare issues.

40 **MR LINDWALL:** What are the types of things that a good farmer would do to ensure good practices in terms of animal - management of the property?

45

MR SOERENSEN: In terms of avoiding a nuisance for sensitive receptors?

5 **MR LINDWALL:** Noise, smell and - - -

MR SOERENSEN: You are going to manage the manure, you are going to manage the effluent. It's not the actual pig that smells, it's what comes out the backside that smells. So the way we intensive piggeries handle the manure traditionally has been in pond systems, so you let the effluent, the liquid effluent, goes into a pond system and the bacteria breaks it down and it eventually the liquid evaporates and the solids can be taken away. That breakdown of the manure, that's where you release methane and that's where the smell comes from and so what we're doing now and what many other piggeries across Australia is doing is basically covering that first pond, or putting it into a tank because then you've basically got a - - -

MR LINDWALL: A bit like a septic tank or something, is it?

20 **MR SOERENSEN:** You've basically got a biogas reactor and you can use that methane for generating electricity, even just flaring it off has got a significant reduction in carbon footprint. So that's a really good example of new technology that's been widely accepted by the industry to the benefit of the environment. And I don't think many new piggeries will come up without that sort of technology implemented these days. And there's also going to be some perhaps sources from the actual buildings but it's the good old thing, keep it clean and tidy, don't let the manure build up in the corners, keep it clean.

30 **MR LINDWALL:** Yes, and the pigs will be happier too.

MR SOERENSEN: Yes.

MS COOPER: And of course access to well trained staff, which - - -

35 **MR LINDWALL:** Yes, could we talk about labour market issues? I mean, where do you source many of your staff, do you use working holiday makers or seasonal workers?

40 **MR SOERENSEN:** Yes, there is a little bit of reliance on working holiday makers, mainly because we can't find anything else because it's not seasonal, pig farming is the same all year round. So it doesn't lend itself to seasonal workers in that regard but we have used working holiday makers just to fill up gaps in the production. But we rely heavily on the 457 scheme and subsequently, because I think we touched on that, one of

the skilled codes that we used originally in the 457 scheme was removed, we only had one option and that was to negotiate a labour agreement. And a few piggeries have now got an industry labour agreement, myself included.

5

But we couldn't survive without the access to overseas labour. It is a skill requirement, and for us to be able to bring them in of course we got to prove that we can't find local labour, but we're looking for people with a minimum three years' of experience and minimum level of Certificate III or equivalent in farming. A lot of the people we bring in have got a Bachelor Degree or equivalent in Animal Science. We also as an industry need to work on training locals but so far there hasn't been an availability of locals even to train. I suppose that's changing with the current economic environment.

10

15

MR BAXTER: Well the proposition has been put to us by a number of producers, and one in particular just outside Toowoomba who is not dissimilar to you, that he in fact was looking for local labour, he was aware that there was a list of so called available labour from the local CES, went to engage them, they worked for a few weeks and then just packed their bags and disappeared. And it meant they had to resort to the 457 visa labour in order to get reasonably skilled people to do the job.

20

MR SOERENSEN: Well I'm trying to be not - to put it in a nice way, but yes, we have had similar experiences, yes. And we also we need people that show up every day and are reliable.

25

MR BAXTER: Exactly, yes.

30

MR LINDWALL: The use of - sorry?

MS COOPER: No, I was just going to say and added to that the location of the piggeries also there is a small labour pool in most of those areas and trying to get people to move into them is difficult and also has an impact on the reliability of the labour.

35

MR SOERENSEN: So over the years the cost of 457 has gone up significantly, which is a cost we bear as employers so that's a significant burden on us.

40

MR LINDWALL: That's exactly right. Can we talk about other technologies because you've got productivity improvements, obviously?

MR SOERENSEN: Yes.

45

MR LINDWALL: One of them would be chemicals, and that may be available overseas that are not necessarily available in Australia at the moment?

5 **MR SOERENSEN:** Yes. Well when you raise that there's two things I want to touch on. Ag vet chemicals, I made a note of the previous speaker here was talking about it. We actually had an experience back in 2010 where a virus called PCV2 - sorry, it was 2009, started spreading across Australian piggeries.

10
Now that's not a new virus, it's commonly known overseas as well. But if you don't vaccinate against it it can be quite devastating. And the vaccine, it took them 12 months to approve the vaccine and just one brand of vaccine, and we still only really have one brand of vaccine, I think, 15 another one only just been approved now, even though extensive trial and testing has been done of the same brands overseas. So that was a 12 month period with significant losses in the industry because of that.

MR LINDWALL: So both brands are now approved?

20 **MR SOERENSEN:** There's two brands but there's more brands available overseas that we don't have in Australia.

MR LINDWALL: And what are the price differentials, or can you give 25 advice on that because I would suspect if there's only one approval there would be a high price.

MR SOERENSEN: Exactly. My brother who farms back in Denmark 30 he paid less than a third for the same brand that I did here. And in terms of the differences as well, and I'm getting into dangerous territory here because biosecurity is very important to the industry, fresh pork is not allowed to be imported because there's a number of diseases we don't have and we want to keep it that way because as it was touched on earlier the image of high quality and clean and green is important to us. But it 35 also means that genetics is not available.

So if I can use personal experience, my brother back in Denmark he produces 33 to 34 pigs per sow per year, I do 26 and a half. The average in Australia is only 20. And the differences there are genetics. So we can 40 only work with the genetics we've got available in Australia and therefore we're always going to be behind internationally. Now science develops all the time and personally I believe there probably is a case that we can bring in genetics without risking the status, the health status, but it's something that we have to work on, doing a risk assessment, et cetera, 45 et cetera.

5 Others will disagree but I suspect this also has to do with political issues because some of the decision makers within the industry are also pig breeders themselves, so. But, yes, from a productivity point of view that is a massive difference because of the lack of access to genetics.

10 **MR LINDWALL:** It was Kerry Packer who said that you should always back a horse named Self Interest. Could you describe the genetic technology that is used by your brother, brother-in-law, or brother did you say?

15 **MR SOERENSEN:** Brother, yes. Well it's not - we in the pork industry we're not employing any high level of science like gene modification it's simply breeding and setting up breeding targets. But pigs have a quite quick breeding cycle therefore you make quick genetic gains if you have access to a big genetic pool. So it's basically just having access to that genetic pool and keep improving on it. The breeding companies in Europe, in Denmark, are starting to look at gene mapping and selection based on that rather than just the physical traits of the pigs, so that is starting to gain traction and probably will be used more widely, yes.

MR LINDWALL: Anything else you - - -

25 **MR BAXTER:** No.

MR LINDWALL: I just wanted to ask on abattoirs. Any particular thing you would like to comment on, the use of pork and the abattoirs in Australia, and the industry itself?

30 **MR SOERENSEN:** Well we obviously in Western Australia we basically have only got one abattoir that kills 95 per cent of the pigs. There's a smaller one as well that does it here. But multi species abattoirs are a thing of the past because of halal accreditation, et cetera. So this one abattoir we do have is export accredited and we do have a big exporting to Singapore of fresh pork, it basically gets put on the plane and flown over there the next day. Singaporeans are prepared to pay a premium for that, which is why we have an export we are not internationally competitive on price.

40 But it's also a chicken and egg thing when it comes to abattoirs. We could be more efficient, I believe, and more cost efficient in the abattoir side of things if we had a bigger volume but how do we get to bigger volume, we need to be more competitive. Certainly I haven't done the study myself but to get a new abattoir off the ground is probably quite

hard because of red tape and more than that. So for someone to come in and invest and put a new abattoir up and - - -

5 **MR LINDWALL:** Even more so than a new piggery, I guess?

MR SOERENSEN: Probably, yes. Yes.

I don't know if you want to add anything to that?

10 **MS COOPER:** No, I think you've tidied it up.

MR LINDWALL: So anything else you'd like to comment?

15 **MR BAXTER:** No, I haven't got any more questions.

MS COOPER: I suppose just to sort of bookend it to some extent, the industry in Western Australia is on the cusp of expansion but we're only going to be able to do that successfully if, you know; (A), we're competitive, and we can only be competitive if we get our costs down; and if we have got the regulatory environment that supports the growth.

20 So if we are going to expand we need to have a system that is outcomes focused, is risk - makes judgements based on a risk assessment, which we mentioned in our submission, rather than, you know, a sort of I guess an over application of the precautionary principle that, you know, something might happen, or it could happen and - - -

25 **MR LINDWALL:** Well you can't eliminate risk, that's true.

30 **MS COOPER:** No. And, you know, the tension between various industries, you know, industrial land use compared to rural land use, that tension exists as well.

35 **MR LINDWALL:** All right, Jan and Torben, thank you very much for appearing.

MS COOPER: Thank you for the opportunity.

40 **MR LINDWALL:** I think it's time for a short lunch break. We're proposing to resume at 1.15, which is in 45 minutes' time, with WA Farmers. Thank you.

45 **ADJOURNED**

[12.31 pm]

5 **MR LINDWALL:** We're right to go, aren't we? Yes.

MR YORK: Okay, so my name's Tony York. I'm the President of WA Farmers. I've had this position for about the last six months, so I'm still an apprentice, you might say, but I am a farmer. And this is Maddison McNeil, who's our executive officer. We've got a small staff, and three of them are dedicated to policy issues, you might say, spread across the different commodities that we work in.

15 So I'm actually a working sheep farmer out in the wheat belt, owner operator with a brother, and running a business fairly typical of our membership in the organisation. We claim to have about 3,500 members, and of that there's 1,200-odd business entities, and I really would describe them as the core - maybe the core market of your review and what you're looking at in terms of the administrative costs. They are predominantly small businesses, and they are predominantly owner-operators, so they run pretty lean and mean, and they do find the constant stream of remark to our organisations is the cost of compliance and red tape, so we really applauded this opportunity for you to be doing this review, and allow us to make some input. So - - -

25 **MR BAXTER:** Can I just ask a quick question? Where do you sit vis-a-vis the Pastoralists and Graziers Association?

30 **MR YORK:** So there's two major - what you might call major broad acre farm advocacy groups, WA Farmers and the Pastoralists and Graziers Association. There is a number of other smaller groups related to specific commodities or to culture and so on, but we're the two main players, and we'd argue that, you know, we tend to be more focused in the south west with broad acre agriculture, and they tend to be more focused in the pastoral region.

40 Okay, so, yes, we are pleased to make a response, and now we have got - Maddison is one of our three making submissions to your - so we're busily trying to get something in by the 18th, and my immediate feedback was it's a very substantial document you've made, and you're only giving us 30 days to respond.

45 **MR LINDWALL:** Well, we're going to do our final - we're fairly flexible. If it doesn't arrive on 18 August - sorry, I was going to say - - -

MR YORK: As long as we keep feeding you - - -

MR LINDWALL: - - - we're not going to die. No.

5 **MR YORK:** Okay, right, that's good.

MR LINDWALL: We are very forgiving. But we'd prefer it not to arrive it on 14 November, since the report goes to government on 15 November.

10

MR YORK: No, no, no, no, no, we'll be - okay, we'll be onto it. So it's important to know that we have got a degree of flexibility. And so as I have mentioned earlier, our growers, our members, are quite constantly in all different levels of government and so on complaining about the cost of compliance and regulation. So it's a very big issue in terms of our membership, and we - broadly, many of your initial findings we are supportive of, and I don't know how much time we've got, but I'd like to kind of - - -

15

20 **MR LINDWALL:** About half an hour, so we've got until quarter to, so there you are - - -

MR YORK: So I - is it appropriate that we just go through and finalise the summaries - - -

25

MR LINDWALL: Yes, yes, absolutely.

MR YORK: - - - in summary as best we can? Is that all right?

30 **MR LINDWALL:** Yes.

MR YORK: Sorry, I'm just getting through a few things, and I had a few - there's a few remarks, and then go through to the draft recommendations, all right? So just confirming, yes, we are the small businesses. Most of our members would be under a 5 million turnover, and probably under a five personnel staff. So sometimes we're only one, up to about five would pretty well cover 95 per cent of our membership.

35

40 So in your overview you've made some remarks about the GM and non-GM and there not being any evidence of GM free marketing in the bulk trade. I'd make the point that in Western Australia we have non-GM canola and we are getting a substantial 10 per cent or thereabouts premium on non-GM. So there is a bulk market there for non-GM as a premium.

45 **MR BAXTER:** Just out of interest, is that on the local market, or on local

values and exports?

MR YORK: No, it's an export premium. Most of it's going to Europe, actually.

5

MR BAXTER: Okay.

MR YORK: That's right, so in your overview you're talking about biosecurity, just to remark in that we certainly want to emphasise the fact that in some aspects Western Australia is quite distinct and discrete to the rest of Australia, and there are quite strong commercial interests for some of our industry to maintain some discrete biosecurity measures because we did perceive it as giving us a market value - market benefit.

10

I would make the point that most of the industries we are involved in are primarily export-focused, and there are definitely access to some markets, for example with Bovine Johne's Disease we can get into some markets that we couldn't if we were in the rest of Australia.

15

MR BAXTER: Is there no evidence of Johne's Disease in WA?

MR YORK: Pardon?

MR BAXTER: Is WA free of Johne's Disease?

20

MR YORK: It's a matter of dispute at the moment. We claim that we are, but the rest of Australia says no, you can't be, basically. So they've - we certainly claim that we are, and we certainly have got markets that are willing to accept that we are. We have to actually - because there's a national reform going on at the moment, we need to make - the industry is making a decision at this stage as to whether we can afford the cost of administering separate biosecurity measures for - - -

25

MR BAXTER: And sorry to persist with this, but who's doing that? Is that the state department doing the certification of being - - -

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MR YORK: The industry - - -

MR BAXTER: The industry?

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MR YORK: - - - and the state government through our BAM Act - is that correct?

MS McNEIL: Yes.

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MR YORK: - - - I think are trying to determine what the cost is, and then between the government, state and the industry we'll decide whether we can afford it, to impose - effectively what we're trying to do is continue the level of quarantine that was going on intrastate - - -

5

MR BAXTER: But that's a private certifier who's acting on behalf of the government to do the certification, or is it a government agency that's actually doing the certification

10 **MR YORK:** My understanding is that they commissioned some consultants to do an assessment of - a cost benefit analysis, and - - -

MR BAXTER: Well, look, we'll put the question on notice.

15 **MS McNEIL:** We can take that on notice.

MR BAXTER: Look - -

MR YORK: We'll take it on notice.

20

MR BAXTER: Yes. Because I mean, one of the things is quite often in these circumstances to have a private sector certifier acting on behalf of the government is more efficient and more cost effective than it is to have a government agency doing it, and a similar issue was raised with us when we met Wellards here in Fremantle earlier in the year, that part of the problem of having a national government certifier was impractical and didn't meet the time deadlines of shipments required.

25

And having had some experience and knowledge of the beef and cattle industry, Johne's Disease is one of those that I would have thought would have been certified quite easily by a private certifier.

30

MR YORK: Look, we'll take that on notice.

35 **MR BAXTER:** So could you? Would you mind taking that on notice?

MS McNEIL: Yes.

MR YORK: Yes, sure.

40

MR BAXTER: Could you just drop us a line in the course of your response?

MS McNEIL: Yes.

45

5 **MR YORK:** In your overview you make reference to the regulatory impact assessment. Certainly we have already endorsed that as being a very useful tool wherever it can be applied. The problem, of course, is getting governments to actually accept what those impact assessments might mean.

So I think I'll just go through to the - - -

10 **MR LINDWALL:** Recommendations? Yes.

MR YORK: - - - recommendations if that's okay with you?

15 **MR LINDWALL:** Yes, certainly, and then we can ask some questions after that.

MR YORK: Sure. Sure. So land use regulation, I think in Western Australia you'd be aware that we've got quite a lot of leasehold - - -

20 **MR LINDWALL:** Pastoral leases, yes.

MR YORK: - - - tenure, pastoral leases as against freehold, and our only reference would be they, I think, need to be treated differently, and what is considered acceptable rights with the leasehold are different to what's considered acceptable rights to freehold titles. I make that distinction.

25 So for example, in your draft finding 2.2, presuming agriculture per se can prevent land from being put to the highest value use, I would point out that many of our members see the freehold title is freehold title, and that is rights - confers certain rights that the community are taking away from them, and really it should - it's the reverse way. It's not that the community are losing property benefits, it's that the property title holders, the freehold title holders are losing through benefits through the regulation and change of rights.

30 **MR LINDWALL:** If they bought it before the changes were made, obviously. If the changes were made before they bought it, maybe not.

MR YORK: Okay.

40 **MR LINDWALL:** Because they would have bought it then under the conditions - - -

MR YORK: With knowing what the conditions were, yes. I mean, the conditions have been slowly changing over 100 years.

45

MR LINDWALL: Yes. Yes, exactly.

MR YORK: So we're aware of - yes. Yes. So recommendation 3.2, we've broadly endorsed the development of market based approaches. We are very interested in what's happening here in WA. They're trying to develop an offset matrix in terms of, as far as our members - it's giving some value to the constraints.

I mean, the bottom line is if the community sees some values in the native vegetation or biodiversity conservation, where our primary argument is that the community should be paying for it, in light of the fact that we're having difficulty getting them willing to pay for it, an offset matrix is a possibility where there might be some capacity to get some value, but there is an ongoing issue in terms of land clearing and permits. It's one of the issues that many of our members raises as being frustrated with many levels of oversight and regulation and application permits, et cetera, that need to be dealt with.

I haven't really got anything to add to the regulation of water. It's not a major issue with our membership.

MR LINDWALL: So can I - on that, so your reliance - presumably most of your members are probably wheat or grain growers of some kind or another, so it's basically rainfall that you're relying on for your crop and no great irrigation?

MR YORK: In Western Australia, there is no broad acre irrigation in Western Australia. There is a smaller amount of irrigation in the Ord River, and in some small dam catchments in the south west, but - - -

MS McNEIL: It's predominantly for horticultural and dairy sectors, not broad acre production.

MR LINDWALL: Okay.

MR YORK: I would say it's a relatively minor part of the agricultural sector in Western Australia. I mean, it might amount to \$1 billion in gross value compared to the 7 or 8 billion that the state produces, so it is - all irrigation, I mean, would amount to that. And 50 per cent of that at least would be for domestic production.

MR LINDWALL: Yes.

MR YORK: And you might get other submissions and other presentations from people that are more focused in that horticultural

sector, I can't say.

5 So we're onto the GM technology and agricultural veterinary
chemicals and veterinary medicine. Okay. So I note on the animal
welfare, you are recommending an overarching national body. In our
organisation, we think there is plenty of oversight in terms of animal
welfare, and we're at this stage not accepting that as a benefit, you might
say, and you will be getting some more further comment on that through
our submission.

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MR LINDWALL: Yes, all right.

MR YORK: I mean, the overarching issue really is that we worry about
who would be influencing a national body, and that we might be - more
15 broader community interest might weaken the benefit of the livestock
sector.

MR LINDWALL: Well, we can explore that in more detail - - -

20 **MR BAXTER:** Yes. Can I just quickly - New Zealand has an
independent body, and clearly the same thing worried them, worried your
equivalents. They've ended up with an organisation called the National
Animal Welfare Committee, NAWAC, which has worked very
effectively. It's been a truly independent body with a very good cross-
25 section.

Can I separate out the idea of having an independent body and there's
a separate issue being the appointees to it? So is the concept of having an
independent body anathema to you, or is it the real concern is the
30 membership of that organisation?

MR YORK: Look - - -

MR BAXTER: You needn't answer at the moment. Have a think about
35 it - - -

MR YORK: All right.

MR BAXTER: - - - and we'd appreciate some sort of - - -

40

MR YORK: Feedback? Okay.

MR BAXTER: In your submission.

45 **MR YORK:** All right, we'll do that. So the GM - or access to

technology and GM, certainly our industry is predicated on the benefits that science and research have given us over the last 50 or 100 years. Many of us would argue that most of that broad acre industry wouldn't exist.

5

So there's a genuine acceptance, if the science is advocating - trust in the science, you might say, by our membership, and if it's been proven that GM is not of any risk then we can't see any reason why we shouldn't have access to that as any other tool that might come up in terms of science and development, new technologies.

10

And similarly with the APVMA, we are very concerned about continuing access to new chemicals. Same basis, really. It's a pivotal part of our industry, and particularly frustrating for us is when things go off-patent and people aren't prepared to invest in the compliance, so hence we support your recommendations about using trusted comparable international structures and so on. I mean, that's common sense, and it's reduction of costs.

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And funnily enough in Western Australia, you know, a minor use might be defined as a minor use of some herbicide or chemical elsewhere in Australia, but it's very significant for the south west, it's not a minor use as far as we're concerned.

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How are we going, Maddison?

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MS McNEIL: Good.

MR YORK: Sorry, I did mention a bit about biosecurity already, and certainly we'll be making substantive comments in our submission in response.

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MS McNEIL: Some of our main comments about biosecurity are the significant amount of duplication that exists between the states, the federal government, as well as the local governments. A lot of farmers pay for biosecurity through their national levies, the state based levies, the shire levies. There is lots of duplication in that area because when you regulate biosecurity you regulate it as a biosecurity system for agriculture, but agriculture isn't actually what is produced. You produce your grain or you produce your livestock.

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So from industry's point of view, it's quite difficult to comply with biosecurity - like - not - I take that back. It is easy to comply with biosecurity, but there is a lot of mis-clarity around what is actually happening and who is doing the work, as well as what are the outcomes of

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it.

So a lot of it is about transparency, and that will be coming up through our submission.

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MR YORK: I'd also like to highlight there's, particularly in Western Australia at the moment, budget constraints at the state level. There's quite a bit of push in terms of pushing the costs of compliance in biosecurity back to the agricultural sector, and we certainly - our membership are pushing back on that, because many of the biosecurity issues are of national interest, and caused by other players in the market, often on Crown land, for example, can be a big source of some of the biosecurity issues.

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MR LINDWALL: Weeds and so on, yes.

MR YORK: So the public should be meeting its proportionate share of the costs of compliance and managing biosecurity. So Western Australia, in terms of heavy vehicle regulations, we can concur with most of your recommendations about the last - access and the regulations of - the cost of regulation and compliance for roads.

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I would make the point, and you may have already heard this, but Western Australia sees itself as quite a bit removed from the rest of Australia, and that we have - particularly in the road, for example, we have maintained our own heavy vehicle regulations and so on, and we support that, and see little reason in the benefits of being roped into the national operation in terms of roads.

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MR BAXTER: Can I just ask, is one of the problems - or is it a problem in Western Australia where there's the increased use of bigger, heavy trucks for running cartage in particular, and B doubles, but the local government bridges in local government shires become a problem, which is a problem in the eastern states?

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MR YORK: We are made aware that there is some frustration, the last mile, turning onto the local roads and the bridges. There is a very - right at the moment, there is a very slow assessment process that Main Roads have to go - or the local governments have to go through to determine that structural integrity of the roads. I think there's a push on at the moment to maybe turn that around and make those roads accessible without proof that they're a hazard.

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MS McNEIL: There is some reforms going on within how Main Roads and local government work on the heavy vehicle routes in WA, and that's

coming in soon, if not already in the process of being implemented.

5 **MR YORK:** So it's an issue, definitely, but there is possibly a solution coming up for us in WA. Well, not a solution, a way of making it more workable, would be a better way of looking at it. What have we got here? Abolition of the road safety remuneration system.

MR LINDWALL: You don't support that?

10 **MR YORK:** So ...indistinct... we support that. Yes, we'll go along with that. Just some little remarks on the draft finding 8.3, privatisation of major ports and infrastructure. We concur with your last paragraph about the sale price of ports by conferring monopoly rights on buyers is not in the public interest, so definitely.

15 We have been engaged with the state government - I mean, we have got a position where we are opposed to it unless there are clear benefits to the industry and to the public, and we have worked very hard with the current Treasurer at a state level to try and get assurances that port users
20 are protected for access and pricing.

I mean, it is a constant issue. I mean, certainly you need to watch that.

25 **MR BAXTER:** Does that concern still exist now that Qube has taken over Aurizon and a merger of Aurizon and Asciano has gone together? CBH I think was in the middle of that brawl, wasn't it, at one stage?

30 **MR YORK:** Well, there was an issue, yes, of the railway, but Maddison can make some comments.

35 **MS McNEIL:** We have been very vocal about our opinion on the acquisitions, which they are all on our website if you want to have some reading. We didn't support any acquisition of those assets, predominantly for the fact of you can't protect vertical integration and monopoly infrastructure, and it's very difficult when one of the participants is a leaseholder, one of them is an operator of the port that has 70 per cent of the business of Fremantle. So from our point of view, there were lots of red flags, so we said we don't support. But now that it's gone through, we
40 will wait and see what happens.

We are yet to be convinced that the provisions with the businesses will protect the monopoly infrastructure, because we've had experience with the rail network and how monopoly infrastructure has been used to
45 extrapolate maximum price, which is the point of big business, but from a

farmer's point of view, we're small business and we can only operate within what we have access to.

5 **MR BAXTER:** And all that's on your website?

MS McNEIL: Yes.

MR BAXTER: Okay. Thanks.

10 **MS McNEIL:** And that will be featured within our submission.

MR BAXTER: Okay.

15 **MR YORK:** Maddison, as I understand it, our concern was with the rail, Brookfield, has been ameliorated because they are not an active purchaser - not actively involved, or are they, in the Fremantle Port, as the port users? Are they part of actually - is it going to be - - -

20 **MS McNEIL:** That's part of - - -

MR LINDWALL: I think that's still being sorted out.

MS McNEIL: Yes, so there's - - -

25 **MR YORK:** Well, it's gotten very confusing.

MS McNEIL: There's eight consortium partners, from memory, so there's different - - -

30 **MR LINDWALL:** Yes.

35 **MS McNEIL:** Our concern was the fact we struggle to understand it, so how are we meant to understand the competition implications if you can't understand how the businesses are all cross-percentage shareholdings, and - it got very messy, and our concern was if you're making it so hard to try and get approval of competition, what's happening.

MR LINDWALL: Yes, good point.

40 **MS McNEIL:** Our main concern was avoid it if we can, which is what ACCC have said long-term, if you can avoid vertical integration monopoly infrastructure, do it.

45 **MR YORK:** Right. We'll just keep going through the last few pages. I guess we can't go past without making some comments about foreign

investment. I see it's a yo-yo, it's a see-saw, it's a very political issue, and it's a very sensitive issue and emotional issue for our membership, and certainly we've been, as an organisation, supporting the recently introduced constraints down to the 15 million and the 55 million thresholds to go to application. It doesn't mean that it's rejected beyond that, to go to the Investment Review Board.

I make two comments. We have come out very much in support of a register of foreign investment, and I'm frustrated that it's taking so long for that to come out, and that we would still be arguing that it needs to be made public.

And also, as always, where we get the opportunity to seek clarification on what is meant by national interest, I'm sure everybody would like to know - I mean, I think as best as can it would be good if that was, you know, made more clear, national interest, but I think we have to - - -

MR LINDWALL: You have Buckley's chance on that one.

MR YORK: I think we have to accept that it's a sensitive issue and it's a political environment.

MR LINDWALL: National security is political, it's a national security issue somewhat, yes, yes. Security agencies and so forth, yes.

MR YORK: So at this point we're - I mean, you're recommending we go back out to the higher thresholds. We're quite happy with the current thresholds.

MR LINDWALL: That's right.

MR YORK: Our membership is at this stage. It's a compromise.

MR LINDWALL: I'm not sure - well, what about one of your members who wants to sell his or her farm?

MR YORK: Look, this is a middle road. Look, we've got parts of the membership that have got absolutely no problems whatsoever with foreign investment and ownership, and see that as a right, to have access to it, and we've got other members that are much more circumspect about who is going to own the land in future. So we're - we would see that the 15 and 55 million is a compromise, that's - - -

MR BAXTER: There would probably be a difference, I should imagine,

between your views and those of the PGA.

MR YORK: They are much more openly in favour of - well, I can't speak for them, okay? But yes, there may be some differences.

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MR BAXTER: I mean, your - just as a rough guide, a lot of your membership's properties in terms of sale value would be under the 5 million.

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MR YORK: Under the 15 million, yes.

MR BAXTER: Under the 15 million, rather.

MR YORK: Yes, that would be correct.

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MR BAXTER: Yes.

MR YORK: And it would be more of their membership.

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MR BAXTER: It's up into the - - -

MR YORK: That would be correct.

MR LINDWALL: Did you have any - was that the last one, or - - -

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MR YORK: No, I think that's it. So just the way forward, I guess, in summary. We just really seek the need for regulators to justify regulation, really, and it is very important, your recommendations regarding regulatory impact statements. I think that's the core to it. And that's all.

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MR LINDWALL: Okay, no, thank you. On the issue of land clearing, we heard from Chris Tallentire this morning, the MLA. He was saying that there's a lot of salinity problems in Western Australia.

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MR YORK: Yes.

MR LINDWALL: And he was basically objecting to our recommendations on - that we were allowing some sort of offsets. What would your response be to that, that the salinity problems are high and they're growing?

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MR YORK: Okay, so I'm actually on a farm that's got about 20 per cent of its land's gone saline. There is pretty widely accepted recognition that after land clearing there's going to be a period of time before the water table re-establishes itself, so any land that's more than 80 years, 50 to

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70 years cleared, tends to have stabilised.

5 So the problem does occur after the land clearing, but after a period of
time it stabilises, so I don't think it's endless in terms of the risk. We're
not going to have the whole wheat belt go saline. It reaches a new
stability. I think for us, it's an - amongst that saline land is the bits of land
10 that are uncleared and remnants and they're highly degraded, some of
them, but they are - there is capacity to invest in them maybe for, you
know, land use purposes or environmental purposes, if there is the right
structure.

15 If there was an offset structure perhaps that land can become an asset
rather than a liability. But I would reject the argument that there's an
endless threat to salinisation. Definitely we have got salinisation as an
issue, but it's going to stabilise.

20 **MR LINDWALL:** Now, on animal welfare, and Ken touched on it about
this new body that we proposed, if it were to come to pass, what type of
issues would - in terms of the composition of a body, would you like to
give some thoughts on - or guidance? I mean, you don't have to right
now, but - - -

25 **MR YORK:** Well, I'd rather take notice on that, because we've got - I'm
the General President, and we've got a livestock section who'll be taking
much stronger interest in that.

MR LINDWALL: Fair enough, yes.

30 **MR BAXTER:** Can I seriously suggest you have a look at the New
Zealand model, because it has worked?

MR YORK: Yes.

35 **MR BAXTER:** And it has also dealt very effectively with the recent
problem that New Zealand dairy farmers have in particular with bobby
calves.

MR YORK: Right.

40 **MR BAXTER:** Which is an issue that obviously some of your members
would be facing, as are members in Victoria and New South Wales of
your counterpart organisations. And I think it's fair to say, Paul, we were
very much impressed with the way that New Zealand and NAWAC - - -

45 **MR YORK:** So you've been there?

MR BAXTER: Yes, we went there the week before last - - -

MR LINDWALL: Yes, no, it was very impressive, and - - -

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MR YORK: Okay.

MR BAXTER: We were impressed with two things - well, we were impressed with more than two things, but one was the national animal welfare organisation, and the second one was the approach that they had to dealing with conversion of leasehold property into freehold, far more simpler and straightforward processes than we appear to have in the Australian states.

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MR LINDWALL: Now, could I get back to the original point I think you made, Tony, which was the non-GM canola commands a 10 per cent price premium to our export. Do you have something you could - documentation you could provide for that, or put that in the submissions?

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MR YORK: We can substantiate that, yes, we take that on board, no problem.

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MR LINDWALL: And does that mean - well, what are your thoughts about producing non-GM and GM in the same - separated, and then both selling as they will, one with a premium, one without a premium.

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MR YORK: Right, so we've been operating with segregation for about, you know, eight or ten years or something now, and it doesn't seem to be a major problem.

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MR LINDWALL: So you don't support a moratorium? Yes.

MR YORK: Some proponents that are anti-GM are very sensitive to the degree of separation and the management of it, but I think we've got around those issues mostly, and the market certainly accepts our process of segregation quite readily, and - - -

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MR LINDWALL: Which is by definition with the price premium, one would argue.

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MR YORK: Exactly, exactly. We've always - I don't know, a tenet, I suppose, of our organisation is the right to choice, essentially, so the farmer should have the right to grow whatever they like, which protects the non-GM grower as well as the GM grower.

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MR LINDWALL: Yes, yes.

MR YORK: It's two sided. I don't know whether you've got anything to add, Maddison?

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MS McNEIL: No.

MR YORK: We can definitely give you our notes.

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MS McNEIL: Definitely.

MR LINDWALL: I mean, hypothetically if you had, you know, one hectare of grass - of land and you were able to, with GM, produce something with a higher yield content more than the offset, the 10 per cent price premium, then it would be economic to do so, I suppose.

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MR YORK: Correct, and it's still - I mean - - -

MR LINDWALL: So it's all about economics.

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MR YORK: Absolutely.

MS McNEIL: Farmers do their own economics. Because not only is it yield, but there's also potential oil increases, as well as the benefit of the herbicide use, so the farmers weigh up their own benefits and choose to use whatever system suits them.

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MR LINDWALL: Could you describe briefly about how separation is maintained in WA?

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MS McNEIL: Yes. I'm not an expert on this. We can get some additional information from CBH if you'd like, but I can give you a general overview.

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MR LINDWALL: Yes, please, yes.

MS McNEIL: I worked at a CBH sample hut, so I've got a vague understanding. Generally speaking, they don't accept GM and non-GM at the same site, so you'd have to go to a different location to be able to deliver one or the other. However, those that do have - they can offer both segregations. They avoid it, because it gets very, very challenging, but if they do then there are protocols within the sample hut for cleaning. You clean down the entire system before and after, and you make sure that the seed goes back into the truck that you collected it out of. But if you like I can take that on notice, yes.

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MR LINDWALL: That would be great, yes, please. We are running out of time here on this, but did you have any more questions?

5 **MR BAXTER:** No, no, I'm fine.

MR LINDWALL: I think that unless there's final points that you want to make, but - - -

10 **MR YORK:** No, we're good.

MR LINDWALL: Thank you very much, yes.

MR YORK: We'll come back and we'll - - -

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MR LINDWALL: We look forward to the submission.

MR YORK: - - - try and get a submission as close to the 18th as possible.

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MR LINDWALL: Thank you, Tony. Thank you, Maddison. And I think we're now moving on to Julie Newman, who is our last witness for the day, except if there's any offhand comments afterwards. We'll always allow that. Hello, Julie.

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MS NEWMAN: Hi. Would you like a copy of my submission here?

MR LINDWALL: Yes, please.

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MS NEWMAN: There's also some additional pieces. One of them's the GMO industry reference group report, and the other is - you were just talking about the CBH, and the other is the terms and conditions that the CBH have on delivering any grain, and of particular notice in that, which I've covered in my submission, is that they need a guarantee of zero tolerance in any produce delivered to CBH, zero tolerance of GM. And the non-GM farmer is to accept the liability for any economic loss caused by GM contamination, which could include demurrage or returning shipments that are rejected.

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MR LINDWALL: And now - that's all right. Julie, I should get you to introduce yourself first, and maybe give us a little bit of an overview what you want to say.

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MS NEWMAN: Okay. Julie Newman, the national spokesperson for the Network of Concerned Farmers, which a group of us started up in 2002,

and my primary aim at that time was to expose misleading information that was being put around, and to ensure there was adequate risk management to prevent non-GM farmers being liable for economic loss for a crop we didn't need and didn't want. It just seemed grossly unfair.
5 So I will be covering that a lot in what I have been doing, what I have submitted.

But I was politically - I was Vice President of WA Farmers Grains Council for a number of years, held a GRDC portfolio while I was there,
10 and was on Grain Council of Australia policy council for a while, and on the GMO industry reference group. There is a number of political positions I've had.

Personally we have a 10,000 hectare mixed farm, one of the largest
15 seed-grading factories in the state, and a very large contract crop spraying business when crop spraying first became popular.

MR LINDWALL: So maybe if you want to just give a bit of a brief
20 précis of what your arguments are then we can ask some questions, if that's all right.

MS NEWMAN: Okay. Primarily the regulation at the moment is totally
25 inadequate, particularly that they are trying to repeal the state act allowing moratoria, because that is the only act that protects economics. The OGTR, on a federal level, only assesses health and the environment - - -

MR LINDWALL: Science - - -

MS NEWMAN: - - - and I will explain why that is not working as it is, it
30 is under industry self-management, meaning Monsanto really is allowed to do what they like. And that is what is happening in the economic case.

What disturbs me the most is the misleading statements that are
35 coming out from government as well, but that could cause a major risk to our wheat industry, a \$3 or \$4 billion a year risk immediately on commercial release of GM crops - GM wheat, sorry.

So no market in the world grows GM wheat because no market in the
40 world wants it. And unfortunately if any country releases it commercially the markets have made it very clear that they will not deal with that country, because it is - you cannot segregate to the zero tolerance required, and with GM wheat it doesn't escape labelling. It's for human consumption. So unlike the oil crops, which is most of - any GM canola is generally the reason it is going to EU is because it is used for bio-diesel
45 or stock food, for the meal.

5 And that is a major risk that we are putting up - we are allowing to happen, is the research sector, particularly the Ag Department, with their alliance with Monsanto through Intergrain, they are pushing for GM wheat, and they want West Australia to be the first country in the world to grow it commercially.

10 Now, that wouldn't be such a problem if there is a strict liability legislation in place to allow the GM industry to be liable for any economic loss they cause, but unfortunately under existing legislation, and it has been proven with this *Marsh v Baxter* case, there is no legal ability - common law does not address the unfair liability put on non-GM farmers.

15 So if this happens, who is going to be liable for the wheat industry? If the GM industry truly believed there was no risk they would accept liability for it. They cannot expect their opposition customers to pay for the economic loss their product causes. It is extremely anti-competitive, and under this law, unfortunately - like, if you look at the ABARE report, the government - I have done a degree in politics and legal studies to
20 actually look at more of the international push on this issue, and it is quite extraordinary how America is really pushing that.

25 But when you actually look at the contracts that the GM farmer signs, you have an American company that, by forming an alliance with the plant breeders, they put a gene into every variety that is produced, and they own the crop, and they can control what products are used and who to sell it to, and it is based under American law, that contract.

30 So it is food security for America, which is totally understandable, but for Australia it is a risk in the future if this is permitted to progress without any risk-management. So if we look at the existing legislation, health, industry self-managed. Monsanto gave the report - actually, first of all, before that, I will actually explain what GM is, because a lot of scientists mislead it and say we have been modifying genetics for hundreds of years.

35 **MR LINDWALL:** Well, Professor Mike Jones said that this morning, and he is - - -

40 **MS NEWMAN:** Yes, well, it is not true. I mean, that is modifying genetics.

MR LINDWALL: Are you saying that he is not qualified?

45 **MS NEWMAN:** The technology of GM, it is only removing a gene and forcing it into - one gene at a time. Sometimes it is two or three in a

variety, but usually it is only one, and they force it into the DNA of 30,000 genes of a plant. That is one gene in 30,000. So it is no miracle worker.

5 The most popular is Round Up Ready. So what they did is they took a gene out of the bacteria found in Monsanto's sludge factories, isolated that, and rammed it into the DNA of a plant. Now, that has been the most successful, after billions of dollars and 25 years since they have brought it in. All it is is about the patent, because our weeds are developing
10 resistance to Round Up without us wanting them to, and it only took one year for enterprising drug barons to produce Round Up resistant drug crops. So you don't need GM, but it gives them a unique patent.

15 So instead of the plant breeder rights, it allows a corporate company, and Monsanto is the dominant company, to have a patent right over the crop. So it is their crop and they tell the farmer how to grow it and who to sell it to, so that is control of the supply chain, and it is by forming alliances that it gets put in.

20 Now, under legislation, we are the same as Brazil and Argentina, which has an end point royalty. So under the UPOV 91 international treaty - American hasn't signed that, so they need to sue the farmers if they get contamination, or if they grow GM, but in Australia if we follow
25 Argentina and Brazil, it is Monsanto's right to - and I have seen the contract with CBH when I was on the parliamentary advisory committee, that all the canola gets tested. If there is any positive test, it can be as low as 0.01, they have the legal right to deduct their user fee.

30 Now, that is, in Brazil and Argentina, what is happening at the moment, is because they have - Monsanto has a very strong alliance with Cargill, you have got every farmer delivering to that, but has to prove there is a zero tolerance, a zero GM in their consignment, and if any is found, they get fined.

35 That is why the stats have shown so much more gets grown of the GM. It is not that they are growing it, it is because they are having to pay for the royalty. So it is an extraordinary misleading information that is being promoted, including from our government. If you look at the massive problem with GM wheat, ABARE came out with statistics saying
40 it was going to be a big profit for us. All they did was say, "There could be a 10 per cent improvement in GM wheat," and they multiplied it by the amount that is grown.

45 They did not assess the market risk. No country in the world is growing it. It's been out for 15 years, and no one is growing it because of

the massive economic risk. So really there needs to be a Senate inquiry to look at the government agreements on the Free Trade Agreement, and - - -

5 **MR LINDWALL:** Are you talking about investor-state dispute settlement?

MS NEWMAN: Sorry?

10 **MR LINDWALL:** Are you talking about investor-state dispute settlement?

MS NEWMAN: No, I'm not sure - - -

15 **MR LINDWALL:** That's where private companies can take the government - - -

20 **MS NEWMAN:** Yes, yes, which is totally in line with the statement here that you've got that process is disproportionately influenced by particular stakeholders, never more so with Monsanto. So we released the report, the cross-industry report, which is this one, which is an addendum to my submission, and it showed some serious risks on the release of GM canola and the unfair liability. This was chaired by Kim Chance, and we met monthly for over a year and prepared it, so it's cross-industry.

25 So it showed some problems, but when there was a change of government Terry Redman approved GM crops and, you know, \$10.5 million was given to his portfolio from Monsanto to buy a portion of Intergrain. Now, he shouldn't - this is a government report that warns of the problems of unfair liability. It was not addressed.

30 But to remove the state - you imagine if that was on the GM wheat report, we were getting rid of the state legislation because states have authority over land use, you are getting rid of the ability to assess economics. You bring GM wheat in, a \$3 to \$4 billion a year loss to WA alone from the day it's commercially released is too big to ignore. You can't just get rid of that legislation.

35 **MR LINDWALL:** But our previous testimony was that there's a price premium for GM exports of canola, I think.

40 **MS NEWMAN:** Non-GM.

MR LINDWALL: Non-GM. Sorry, non-GM, I meant non-GM.

MS NEWMAN: I've been following that and \$10 to \$60 a tonne has been what's the average between this.

5 **MR LINDWALL:** Yet at the same time, we're producing GM crops the same way and they're separated.

MS NEWMAN: Now that's interesting.

10 **MR LINDWALL:** Surely that proves the market works so that you're able to command a premium for something and to sell the other GM product as well.

15 **MS NEWMAN:** Yes, if you go to the section with the zero tolerance, so if you go to 6. We're misled to believe there's a tolerance level. In this report it's been thoroughly investigated about a zero tolerance, so page 4 is the start, section 6. If you look at 6.2, these are the quotes out of this report: "In 2001, the ACCC made it clear that a GM-free claim left no room for ambiguity under the Trade Practices Act." If you were to label, as you've suggested in your report, it's up to the non-GM farmer to label
20 something non-GM, it's zero.

MR LINDWALL: What do you mean "zero"?

25 **MS NEWMAN:** Zero tolerance of any GM. Let's say a New Zealand sausage maker was successfully sued and presents as part of that government action for labelling his soy sausages as GM-free when they had 0.007 per cent GM in, it's false and misleading labelling?

30 **MR LINDWALL:** They are able to maintain the separation as it is.

35 **MS NEWMAN:** No, they're not. How they're managing, which is the addendum to that, how they're managing segregation is getting non-GM farmers to accept any liability associated with it. So they're not testing it when they're selling it, because they never guarantee that under the Terms and Conditions of CBH, every farmer that's delivered non-GM, has guaranteed there's no GM in it. That's how they're managing it. They will not be able to manage it with GM wheat because market perception, which is shown with the GM wheat trials, instant rejection from a country if there is any contamination of wheat found because there's a human
40 need.

MR LINDWALL: So if you have GM wheat you can't sell it?

45 **MS NEWMAN:** It's not just that. The non-GM farmers would lose their markets.

MR LINDWALL: Then why would someone produce something if you can't sell it?

5 **MS NEWMAN:** Why would a non-GM farmer want to lose the markets?

MR LINDWALL: No, but why would you produce a GM product you can't sell? There's no logic to that.

10 **MS NEWMAN:** It wouldn't take much just for somebody to proof. I mean you could have somebody like Bill Crabtree decides, "I'll just do it for a stir and give it a whirl and see how it goes". That's fine if he wants to take liability for it, but not a non-GM farmer, not somebody that is taking responsibility on trying to market their product. To lose your
15 markets - AWB did the research and there's been reports out. I don't know why OGTR would want to mislead and not look at the markets.

MR LINDWALL: OGTR, who we spoke to and will be appearing at our hearing next week, says that the science is very clear. We heard the same
20 with Mark Jones this morning, that the safety is absolutely clear and that the World Health Organization, and the US Food and Drug Administration and reputable scientists around the world have all been clear that over 30 years or more there has been no proven health risk with GM.

25 **MS NEWMAN:** Trying to get some consumers to eat GM is a bit like trying to get kids to eat Brussels sprouts; it's just not going to happen.

MR LINDWALL: That's a market issue, isn't it?

30 **MS NEWMAN:** You can't force product on to market. You cannot tell market what they want. If you look at the OGTR, it is inadequate, the testing at the moment. If you look at Roundup Ready canola, the testing, they allowed Monsanto to do their own testing. The only product that
35 was - - -

MR LINDWALL: The OGTR told me last week that they have independent testing. They don't rely on industry testing.

40 **MS NEWMAN:** No, the testing is done.

MR LINDWALL: They said, and we'll ask them. I have it on the public record.

5 **MS NEWMAN:** That would be very good because perhaps Monsanto has paid somebody independent, but if you look at their testing that was supplied to OGTR, it's to be analysed by FSANZ and they only did the feed testing on the meal which they crush it and get rid of the oil, and they found an increase in liver weight of 17 per cent in just a few weeks feeding. Now that indicates some sort of toxic reaction. FSANZ ignored that, not because they didn't consider it a problem; they ignored it because they had no authority over stock feed. They didn't do any testing on the oil. They just presumed there was no problem with it because there's no DNA in it, no protein in it. Now presumption is not good enough for consumers. They don't want to be unwilling guinea pigs.

15 Then you look at OGTR with the environmental. So they look at the health and environment risk. They had a condition of licence on Roundup Ready. In order to manage the increased resistance to the weeds to roundup, they imposed a condition of licence and Monsanto wrote what they were going to do. One of them was to ensure that every farmer that grew it did not have a resistance management problem on other weeds. Now with the media and the court case transcript, it showed that that's the main reason farmers grow it, but the condition of licence said those farmers aren't allow to grow it, because that's how they were going to manage it. There's no policing in it.

20 **MR LINDWALL:** The IP issue, that's an issue which we're covering in another inquiry the Productivity Commission is doing on intellectual property and there are certainly some issues with IP and the importation of it from the United States into Australia and we've made comment and PC on that before. I want to go back. You're still criticising the science and I guess my question is what if you were wrong? What if it is safe?

30 **MS NEWMAN:** Well, that's fine.

35 **MR LINDWALL:** What would it take to persuade you that you were wrong?

MS NEWMAN: That's fine if I'm wrong. What the industry is doing is saying, "We're right", but if I'm wrong I shouldn't be liable for it.

40 **MR LINDWALL:** It's not the industry, we're talking about reputable scientists around that world.

45 **MS NEWMAN:** That's fine, but if I'm wrong I shouldn't be liable for it. In this case, farmers are actually liable for the health and environmental risk because the GM farmers signed to accept liability on behalf of Monsanto for any legal liability.

MR LINDWALL: Who signed on?

5 **MS NEWMAN:** That's the GM farmer. A part of their contract is to accept the liability for health and environment. Now really how do they know that it's adequate? Why should we be trusting people with a vested interest, in this case, the scientists and the GM industry to say, "She'll be right, mate", but they expect those of us that don't want anything to do that.

10 **MR LINDWALL:** Why do you say that the scientists have a vested interest? That's like saying everyone on the planet's got a vested interest.

15 **MS NEWMAN:** No, no. Well if you look at, say, Ian Edwards and Bill Crabtree. They wanted to start up a company because they bought the rights of Arctic hair grass and they wanted to start up a GM wheat company, and also the scientists want to encourage corporate investment into their business and that's when governments come in. That's when most of the submissions have been similar. Now really farmers do a lot of funding through the pre-breeding through GRDC with the majority funders but farmers don't own the intellectual property. So forming alliances with the corporate companies, they're taking the intellectual property farmers are paying for.

20 **MR LINDWALL:** They're willing doing that. I mean it's not like a gun's being pointed to their head. They have chosen to buy that seed from Monsanto and they think that that's in their economic interest.

25 **MS NEWMAN:** Yes, that's fine and that doesn't worry - - -

30 **MR LINDWALL:** Just like producers who are non-GM have decided to operate in the way they do, why can't both exist in cohabitation and each pursue their own economic ends?

35 **MS NEWMAN:** That's exactly right and that's what our report has a good look at, the plans that Monsanto did. Now who represented the non-GM farmer when they did the GRDC-funded crop management report? It was Monsanto, an ex Monsanto manager represented non-GM farmers there. "Yes, we'll have a rule for the non-GM to keep it out." Industry management should not be able to impose unfair liability on others; it's anti-competitive. That's fine if they say it's okay, no one cares, but when a non-GM farmer is liable for economic loss caused by the GM industry, why should that be allowed to happen? It's unfair liability allegation.

40 **MR BAXTER:** We need to look into the legalities of it.

MR LINDWALL: Yes, I'm not sure about that. I mean are there any in-practice examples of where - - -

5 **MS NEWMAN:** Yes, definitely. That's what happens.

MR LINDWALL: Because it can happen the other way. One could argue that a non-GM farmer is affecting the GM farmer.

10 **MS NEWMAN:** But it's not affecting the markets, is it?

MR LINDWALL: That's a claim, isn't it?

15 **MS NEWMAN:** Yes, okay. Well say it's chemical drift but there's insurance against that. There's not a problem. You can't insure against the GM getting into your non-GM because it's an inevitability. Now that's what's so wrong with the GM industry allowing self-management, is their reason of saying there's a tolerance level. There's no such thing. The tolerance level was established because they knew the contamination
20 was inevitable and that they couldn't have a coexistence plan without putting that misleading statement. The trouble is with GM canola it actually increases exponentially because it's the dominant gene, so you will gradually have more and more loads rejected. Canola has never been a major problem because it's for stock feed.

25 **MR LINDWALL:** I still can't understand the argument that if you've got a farm and let's say there was some cross-contamination and effectively some GM product starts growing on your farm, Monsanto can't force you to pay anything.

30 **MS NEWMAN:** Yes, they do. They can.

MR LINDWALL: How? On what basis?

35 **MS NEWMAN:** Would you like to see - - -

MR LINDWALL: Well you haven't bought anything, you haven't agreed to buy anything from them.

40 **MS NEWMAN:** I know and that's when the end point royalty - under the law - - -

MR LINDWALL: Do you think that's true?

45 **MR BAXTER:** I don't know.

MS NEWMAN: I will show you if you like?

MR BAXTER: I've got some difficulty with this.

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MS NEWMAN: I will give you the evidence of the CBH contract.

MR LINDWALL: Let Ken ask a few questions.

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MR BAXTER: I've got some difficulties with some of this argument, I need to check the facts. I saw one of the original Monsanto contracts that was issued in New South Wales and that was not the conditions. Admittedly that was about four or five years ago.

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The second one is that certainly in terms of canola oil, canola oil is certainly manufactured in New South Wales, Queensland and parts of Victoria and is sold for human consumption. I'll have to have a look on the back of my wife's canola bottle in the fridge but I don't recall seeing on it any warning that you may be at risk.

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MS NEWMAN: No.

MR BAXTER: My view on this is that I'd like to read this document. I'd like to have a good look at the current Monsanto contracts and I'd like to seek further advice on it.

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MR LINDWALL: Yes, that sounds good.

MR BAXTER: I think us trying to pursue this at this stage, with due respect.

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MR LINDWALL: I can see what your argument - - -

MS NEWMAN: No, that's good. GM canola is actually not labelled so that's how it can escape. That's where GM wheat is very different.

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MR BAXTER: Well, yes, it is.

MS NEWMAN: No, it's not labelled as GM. It doesn't need to be.

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MR BAXTER: Yes, it is. It certainly is but again I'd prefer to go through and get my facts clear on this before I enter into the argument on this.

MS NEWMAN: Would you like to forward me any references you would prefer because I can certainly back everything that I've said.

MR BAXTER: No, I'm happy to do that.

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MR LINDWALL: You have left your contact details?

MS NEWMAN: Yes. There's a lot in here that's all referenced. Because I was on the committee, I put quite a bit in here and that his reference is there. Part of that preparation was where we got the contract for CBH with Monsanto, so I can call with that.

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MR LINDWALL: All right, Julie. Thank you. Unless there's any final points you'd like to make?

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MS NEWMAN: No. Well I've definitely covered it in here but it's certainly strict liability legislation that I've always thought, because it's grossly unfair to expect those that don't want to become involved to be forced to have an economic loss.

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MR LINDWALL: Okay. Thank you very much.

MS NEWMAN: Thank you.

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MR LINDWALL: This basically concludes - well, we always like to offer if anyone who hasn't actually participated to come up and give a very short presentation. We've got a few more minutes for that but not very many. So I invite anyone who would like to, please. Yes. All you have to do is say your name and if you represent an organisation, say that too and say what you want, but keep it to about five minutes at the most.

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MR CHAMARETTE: Yes, will do. Thank you very much. I was under the impression that you had to submit a submission to talk to it.

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MR LINDWALL: No, no.

MR CHAMARETTE: I've done a submission which I'll be putting in.

MR LINDWALL: Excellent.

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MR CHAMARETTE: I feel that once - - -

MR LINDWALL: Could you say your name?

MR CHAMARETTE: Yes, my name's Steve Chamarette. I'm a farmer from Trayning which is the north-east of the wheat belt. I'm a small farmer and I would just like to make a few comments which I feel needs to be heard because you may have had the wrong impression from what the Shadow Minister said this morning. The five hectares are very well controlled. I'll send you the fact sheet on that. It's five hectares per property. So despite the fact that I've got five titles, that's considered one property. When you read what is actually allowed for clearing those five hectares, it's very, very stringent.

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My real concern is that - in your submission under the environmental clearing I commend every item that you put down. Where you said "may", I would put "indisputably" rather than "may" because costs are imposed when you have environmental native remnant vegetation. From my own experience, and this only came about a few years back, I actually put in an application to clear 23 hectares on the basis that I was trying to set up a legacy for my granddaughter who suffered a very serious illness and will continue to be plagued by these medical issues in later life.

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My submission said that I had over 20 kilometres of contours on my place. I would put that down to ... (inaudible) ... and sandalwood as a high-value product. I was then told that if I did that, that's considered an offset and you can't touch it. So in place of that, they offered to me to put in 72 hectares of revegetation on currently which is good arable land to clear the 23 hectares. Now on the 23 hectares, DER agreed that 75 per cent of it was totally degraded due to grazing and feral animal activity. The 25 per cent I know exists which is pretty good because I fenced it off due to box poison when we were grazing sheep. It's deadly to grazing sheep.

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At the end of the day, what started off - and it took a 14-month process to go through and I followed the process as an indication. Maybe I was very, very naive. When it came to the appeals process, I found that the appeals convenor actually has a dotted line going straight to the CEO of DER and, in fact, the previous appeals convenor is now an executive officer at DER who actually dismissed my application. So as for it to be independent is totally wrong.

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The whole bottom line is and I'll send this to you in my submission, is schedule 5 of the Environmental Act. There are 10 grounds of which you can be refused clearing. Of those 10 grounds, you've got to pass every one, down to the fact that some flora and fauna they said may exist. It wasn't endangered. It could be rare. But at my expense I had to prove then that it did not exist. It was a double jeopardy. If it did exist, my

application would be dismissed. If it didn't exist, it gave no real grounds that I still might get the application cleared because of all the other things.

5 In addition to that, they said, "Your shire has less than 30 per cent of natural vegetation on it". Now, I'm sure there's very few shires in the whole of the central wheat belt that has more than 30 per cent natural or remnant vegetation on it. So any application for clearing is dead in the water and that should have been told up front, the day that I got my application. I was given seven days, 14 days, and 21 days to make any response; however, the whole process ended up going 14 months. Our perception is that DER is there to defer, deter and disappoint. Even though the final decision's with the Environment Minister, there's no way in the world that he is going to contradict the requirements found by his department or by the appeals convenor.

15 So I commend what you've done. I still feel that if there's remnant vegetation on a property it should be looked at and it should be examined independently and if it does prove - I believe that we do have a need to preserve biodiversity, but if it is proved, that's for the community benefit, not the individual, and there should be at least some form of fair compensation, similar to what the Commonwealth government has, which is I think section 5131, which says that if you're going to deny people private property rights, negotiate a fair settlement.

25 In summary, I think your idea of having 130 regions across Australia is good. I think biodiversity will only be protected by the fact that we have areas that are totally well controlled by Parks and Wildlife, or whoever's responsible. The fact that there's remnant vegetation on farms across the wheat belt in the long term is not sustainable because you will find that they are affected by grazing, feral animals and spray drift which will occur.

30 **MR LINDWALL:** Thanks very much, Steve, and I welcome your submission. Does anyone else want to have a final say? Again, another fairly quick one, please. Again, just your name, et cetera.

35 **MR HALL:** Doug Hall. I'm an industry development specialist. I've worked for a range of industry associations in the agricultural spaces and worked with many of them. Just some what I call high-level political economy comments. I think one of the problems we face is we need much more advocacy for the benefits of free market, in contrast to what you might call crony markets.

40 Also in that same space, there's not a whole area of public choice or non-market decision making. I just feel that there's not enough discussion

and appreciation. There are so many regulations that are being developed in let's say an ad hoc way but driven by rent-seeking organisations. That's fine but there are costs that result from that rent seeking.

5 **MR LINDWALL:** Yes.

MR HALL: I think a greater conversation about non-market decision making, political decision making, how it comes about and what the costs are, obviously there's going to be benefits for the people who argue for it. In our pursuit of reducing regulatory red tape, there has to be some strategy to that. At the moment it seems to be relatively ad hoc. Now to be strategic you have to understand the landscape in which you're operating, so that when you deconstruct something, you do it in a way that is constructive, not ad hoc and collaterally destructive.

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15 The benefits of moving those rent-seeking instruments obviously will be that there will be improved allocation of resources and much greater entrepreneurial and innovative activities which many rent-seeking driven regulatory mechanisms of course thwart, often for the interests of the rent seekers.

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25 Today there's been some interesting discussions. Customer sovereignty and the problem with the rent-seeking driven regulatory systems or mechanisms is that they do facilitate the influence of third parties over what would otherwise be market decision making. So is the sovereignty of customers in driving the economy greater or lesser than the sovereignty of third parties, who arguably represent the public interest, but what is the evidence of that degree of public interest. Of course it's of great potential to distort the economy.

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35 Markets versus regulatory mechanisms, we've got a regulatory framework that just keeps growing. It's unsustainable. I mean in my work with various organisations and I've worked very closely over the years with a range of government regulators, governments don't have the money. They don't have the capacity to service the regulatory framework that exists, let alone expanding it, and I think there has to be a lightbulb moment, if you like, where as a society we understand that this is an untenable framework and we need a serious alternative. Obviously, one of the serious alternatives is to actually move back towards market decision making, which is a form of voting. It is a form of a democratic process. In order to achieve that, of course, we need transfer of property rights from government on behalf of the people to individuals and businesses and community organisations. Those property rights need to be well defined and protected by the remaining regulatory system.

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We also need the development of governance frameworks that facilitate non-government ownership of those property rights and allow proper trading of those resources. For example, in water, an area that I work in, the opportunity to actually transfer significant property rights associated with water to catchment creeks, which was touched on today, which then allows sort of a Coasian solution to trading of somebody at the bottom of a watershed with the people at the top of the watershed, and you would arguably get a far better social, environmental and economic outcome as a possibility. So less reliance on regulatory mechanisms and more reliance on market mechanisms, which are founded on solid property rights and the correct governance models.

Personally I have adopted what I now call the lean law philosophy and this is where in order to get away from this unsustainable regulatory approach, we need to really consider what the minimum pillars of law are and then apply them to different situations, to the plethora of particular situations, which at the moment, unfortunately, we have a plethora of legislation and regulations and the growth of the administrative state because of this apparent necessity to have incredibly detailed prescriptive laws which, of course, is why we get this growth of the regulatory state. So a lean law approach is really the only way forward, as I see it.

Just on GMOs, I'm actually a plant biochemist and molecular biologist by training and I am involved in the OGTR framework at a research institution level. Personally I am very supportive of the framework. I mean no framework is absolutely perfect but there's a great deal of work that's gone into it. It's reviewed on a regular basis. It is risk based and it is evidence based.

I know Mike and I disagree partly with where he's coming from because politicians have to integrate a whole range of interests in society and different types of knowledge and scientific expertise is just one of those and so is the views that have been expressed in this room. Politicians have this unique challenge of making decisions where they've got lemons, oranges, and apples, and a lot of people don't appreciate that. It is a unique decision making situation they are in.

One of the major risks for the GMO technology and all the people that want to use it, use it now and want to use it into the future safely, is political risk. A large part of the OGTR framework is not scientific-based. It's actually about managing the political risk which is about groups in society that are expressing legitimate concerns and so forth. So yes, there's a component to do with science, risk and evidence, but there's also this political risk. From an IPC level, a major Western Australian

institution, that's the way I see it. It's political risk and risk to brand is actually one of the major risks, not the scientific risk.

5 I also have strong faith and integrity of the Food Safety Australia and
New Zealand and OGTR framework. There's one challenge in the future
and that is that if we don't manage the costs associated with assessing new
GMOs and I'm not jumping through. This is rigorous. Maintain the
quality of the rigour. But there's a real danger that there's a whole range
10 of minor crops which will never be able to gain the benefit of the
technology because the potential gains out of those crops will never be
able to afford the regulatory costs.

I just reiterate, it's not about lowering the bar in terms of the quality
of the outcomes. It's just that the more we learn about these systems in a
15 model risk managed framework, you can drop - there's a QA audit quite
frequently and then you drop it away as you get the clear evidence of
reducing risk. That's me.

20 **MR LINDWALL:** Thank you very much, Doug.

MR HALL: Thank you.

25 **MR LINDWALL:** Anyone else? In which case I adjourn the
proceedings. We resume tomorrow in Melbourne, so thank you all for
coming.

30 **MATTER ADJOURNED AT 2.29 PM UNTIL
WEDNESDAY, 17 AUGUST 2016 AT 9.00 AM**