The Productivity Commission (PC) Draft Report "Regulation of Australian Agriculture, July 2016, makes the following finding and recommendation in relation to the cultivation of Genetically Modified Organisms:

DRAFT FINDING 6.1

There is no economic or health and safety justification for banning the cultivation of genetically modified (GM) organisms.

- *The Office of the Gene Technology Regulator (OGTR) and Food Standards Australia New Zealand (FSANZ) assess GM organisms and foods for their effect on health, safety and the environment. Scientific evidence indicates that GM organisms and foods approved by the OGTR and FSANZ are no less safe than their non-GM counterparts.*

The successful coexistence of GM and non-GM crops is possible and has been demonstrated both in Australia and overseas. This means that if there are any market access or trade benefits (including price premiums for non-GM products), they would be achieved regardless of whether GM crops are in the market.

DRAFT RECOMMENDATION 6.1

The New South Wales, South Australian, Western Australian, Tasmanian and Australian Capital Territory governments should remove their moratoria (prohibitions) on genetically modified crops. All state and territory governments should also repeal the legislation that imposes or gives them powers to impose moratoria on the cultivation of genetically modified organisms by 2018.
The removal of the moratoria and repeal of the relevant legislation should be accompanied by the provision of accurate information about the risks and benefits to the Australian community from genetic modification technologies. State and territory governments, the Office of the Gene Technology Regulator and Food Standards Australia New Zealand should actively coordinate the provision of this information.

The Tasmanian Government has imposed a moratorium on the commercial use of GM organisms; extending through to 2019. The moratorium is justified in the belief that maintaining the State's GM-free status has marketing benefits for our agricultural produce, specifically allowing access for GM-free produce to certain markets, and a price premium for that produce in those markets. The Government also claims that the potential benefits from allowing the use of GMOs as being relatively small (according to the Draft PC report).

Aside from the PC report, it appears that there in only one independent assessment on the costs and benefits of the Tasmanian moratorium, and that is a report by consultants Macquarie Franklin ("Market Advantage of Tasmania's GMO-free Status", April 2012). This report concluded that "less than 5% of the food and agricultural sector use Tasmania's GMO-free status to support their brands image", and "It remains unclear whether removal of the GMO-free component of Tasmania's brand image would have any significant impact".

There have been numerous claims by opponents of GMO in Tasmania that cultivation of GMOs would seriously disadvantage their businesses. Their claims, however, have not been supported by independent and objective data.

It is clear that proponents and opponents of the commercial use of GMOs in the state are speculating about the costs and benefits of the moratorium. Speculation surrounds estimates of the potential productivity benefits from the use of GMOs, including increased yield and reduced

production costs, and speculation about both the marketing benefits that GMO-free status brings and the adverse impacts removing the Tasmanian ban would have on existing markets.

Public statements by producers, such as the red meat industry and honey industries, base their opposition by speculating about potential impacts on their own industries, without considering the totality of Tasmanian agriculture. They seek benefits from the State imposed GMO-free status without considering potential adverse impacts on other industries; effectively the claimed marketing benefits from the moratorium would cost them nothing.

The Government's position is obviously influenced by public perceptions, with many opponents driven by ideology and misconceptions. It is only by arguing that the use of GMOs would adversely affect the markets for our agricultural produce, that the Tasmanian Government can impose a ban. The Tasmanian Government seeks to pick a winner, be it for economic or political reasons.

The Draft PC report concludes that restrictions on the cultivation of GM crops lacks sound policy justification. Simply put, objective data on the marketing impacts to substantiate support for, or opposition to GMOs, is not available. In the environment of this uncertainty it is inappropriate to take one view or the other. A more appropriate solution is co-existence with reasonable controls developed for each GM organism.

The PC report claims co-existence is possible. This would require the development of protocols and some level of regulation. Protocols and regulations would consider issues such as:

- Regions within the state where specific GMOs are permitted (or not permitted).
- Protocols at a farm or paddock level to manage the risks of contamination between GMO and non- GMO produce.
- Regulations and protocols would review the realistic and practical impacts of a GMO on a neighbouring crop or farm.

Coexistence would mean that marketers could not simply market their produce as GM-free (because the cultivation of GMOs in the State is prohibited); each marketer would need to demonstrate that their produce is GMO free. Standards and protocols would be necessary to support their claim. Producers of processed vegetable crops in Tasmania are currently required to provide documentation demonstrating compliance with Global Gap food safety certification; equivalent documentation could support a claim of GM-free status.

Managing the issue in this way would allow producers to make decisions that suit their business objectives. Policies, guidelines and regulations would manage the risks of adverse impacts of one producer on another. Marketers would establish their credibility in the market place.

There would be opportunity for the State, through the University of Tasmania and the Tasmanian Institute of Agriculture, in association with industry, to develop protocols for co-existence, with opportunity for such protocols to be applied interstate and overseas. For example, Horticulture Innovation Australia Limited has recently released a guide advising how fresh produce growers can manage the risks associated with the use of organic compost without affecting their food safety assurance program.

DairyTas would like dairy farmers in the State to have opportunity to use GM pasture species that will improve productivity (DairyTas submission to the Tasmanian GMO Moratorium Review, October 2013). Aside from a discussion about the likelihood of GM proteins in milk and meat products, there is an opportunity for the development of protocols that would allow a dairy farmer to use GM

pasture species to gain productivity benefits and have his produce marketed differently, while avoiding any impacts on others (such as neighbours).

It is interesting to note a level of pragmatism in the response of countries to the cultivation and use of GM organisms. Northern Ireland, for example, prohibits the cultivation of GM crops, but livestock industries depend on imported feeds that include feeds from GM crops.

Conclusion

Discontinue the Tasmanian moratorium and allow co-existence of GMOs, subject to guidelines, policies and perhaps regulations, to allow the potential benefits of commercial use of GMOs to be realised, while avoiding any adverse impacts on the marketing of GMO-free produce. A carefully managed co-existence would allow all sectors of Tasmanian agriculture to benefit, and it would avoid the need for the Government to "pick" a winner.