

Regulatory Impact Statement

Gene Technology (GM Crop Moratorium) Moratorium Order 2004 (No 2)

Disallowable Instrument DI2004–235

1. Identification of the Problem

The farming industry has mixed views about the introduction of GM crop technology. There is general concern about the possibility of adverse impacts on the marketing of non-GM crops in domestic and international markets, and on other agricultural product markets through low-level contamination.

2. Objectives of Government Intervention

The Government's objective is to allow gene technology research and development to be undertaken in the ACT whilst providing sufficient safeguards to protect current and possible future markets for non-GM food products produced in the ACT pending further investigation of the potential viability of these markets in a situation of changing consumer attitudes.

3. Proposal

In June 2003 the Government made a policy commitment to place a three year moratorium on the commercial release of GM food crops for marketing purposes.

Section 7 of the *Gene Technology (GM Crop Moratorium) Act 2004* (the Act) provides for the Minister for Health to, in writing, make an order (a moratorium order) prohibiting the cultivation in the ACT of a stated genetically modified (GM) food plant.

Currently the only GM food crop licensed for commercial release by the Gene Technology Regulator in Australia is canola. There are two varieties of GM canola approved by the regulator, Bayer's *InVigor Hybrid*[®] canola and Monsanto's *Roundup Ready*[®] canola.

The issuing of a moratorium order on Monsanto's *Roundup Ready*[®] canola is the only option provided for by the Act to achieve this commitment. The moratorium order is limited to cultivation in the 'open environment' to enable research and development in enclosed environments to automatically proceed.

4. Impact Analysis

Non-GM canola is not currently commercially cultivated in the ACT. As there are no broad-acre allotments devoted to food crops in the ACT it is highly unlikely that primary producers would seek to commercially cultivate canola within the three year moratorium.

Through the exemption mechanism provided in the *Gene Technology (GM Crop Moratorium) Act 2004*, ACT researchers will be able to continue GM canola food crop research activities in the open environment, provided the activity is covered under the licensing requirements of the Gene Technology Regulator.