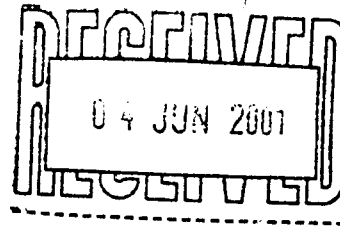




Minister for State and Regional Development

Hon Fran Bailey, MP
Chair
House of Representatives Standing Committee on
Primary Industries and Regional Services
Parliament House
Canberra ACT 2600



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Our ref:

28 MAY 2001

Dear Ms Bailey

INQUIRY INTO THE DEVELOPMENT OF HIGH TECHNOLOGY INDUSTRIES IN REGIONAL AUSTRALIA BASED ON BIOPROSPECTING

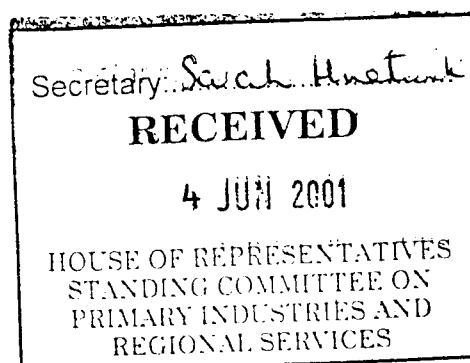
Thank you for your letter of 2 November 2000 to the Premier, the Hon Steve Bracks MP, inviting the Victorian Government to make a submission to the above inquiry. The Premier has referred your request to me as Minister for State and Regional Development. I am pleased to provide the following broad comments on behalf of the Victorian Government in order to assist the Committee's investigations into this area of policy interest.

The Victorian Government strongly supports the principles of Ecologically Sustainable Development (ESD) and is developing a triple bottom line approach to decision making, with the aim of integrating the goals of sustainable economic growth with social development and environmental stewardship objectives. Such a framework informs Victoria's approach to the consideration of bioprospecting.

The Victorian Government sees potential benefits to the nation from bioprospecting. Apart from the potential economic opportunities, benefits may also include an increased understanding of species and ecosystems, which may result in biodiversity conservation benefits.

The areas of most interest to bioprospectors would appear to be marine, soil/ underground biota and rainforests. Some of these components of the Australian landscape are poorly understood, or are fragile environments within vulnerable ecosystems.

The potential benefits of these opportunities must be weighed against the potential risks to biodiversity from sampling, surveying and harvesting processes used in bioprospecting. For the most part the systems and processes required to protect biodiversity and enable the sustainable management of Victoria's flora and fauna are already in place.



The chemical synthesis of natural compounds may reduce environmental impacts associated with harvesting processes, as once bioprospecting has successfully identified useful compounds, chemical synthesis can be used for full-scale production that may result in reduced direct environmental impacts. However, opportunities for regional development may also be reduced.

I consider financial returns to the State of Victoria from increasing commercial access to biological resources through bioprospecting to be limited at this stage. Within this context, I also consider it likely that bioprospecting efforts would focus on individual species, and the development of niche products (such as medicines etc) from those species.

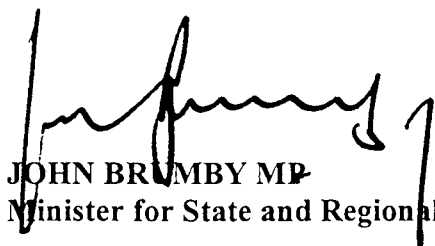
Victoria's approach to managing access to biological resources is primarily aimed at protecting biodiversity rather than seeking financial returns to the State from commercial exploitation and potential regional development opportunities. Although the Victorian Government is keen to explore any potential opportunities which may enhance economic growth in regional areas, any such opportunities would be assessed within this framework.

Victoria considers that the Inquiry should determine an appropriate definition for bioprospecting. A definition that limits the activity may be necessary to assist public understanding and confidence. It is important that any regime established to promote bioprospecting is linked into the open and transparent public sphere of knowledge. Data collected during bioprospecting, subject to its commercial confidentiality, should also be publicly available, for example to the scientific community.

The Department of Natural Resources and Environment partnership agreement with the Victorian company AMRAD and the Herbarium for bioprospecting of Victorian plants may be useful to the Committee. The Victorian Department of Natural Resources and Environment can provide further information on this arrangement on request (contact Ms Sharon Lewis (03) 96378616).

Thank you for the opportunity to provide input into the Inquiry. If you have any queries regarding the above comments, please contact Mr Brian Coffey on phone (03) 96519869 or e-mail brian.coffey@dsrd.vic.gov.au.

Yours sincerely



JOHN BRUMBY MP
Minister for State and Regional Development