



Organic Industries of Australia Ltd  
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18 December 2024

Mr. Tas Larnach  
Committee Secretary,  
THE SENATE  
Rural and Regional Affairs and Transport Legislation  
Committee

By email: [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)

Dear Mr Larnach,

Thank you for the invitation to lodge a submission on the *National Organic Standard Bill 2024*.

Organic Operators Australia represents all organic producers, traders, distributors and retailers which are certified to domestic or export organic standards.

Australia has fallen from a world leader in organic agriculture to a laggard today. Australia is the only developed nation to not have a regulated organic standard. Seventy-five nations have enacted comprehensive regulatory organic standards and another thirty are in transition.

The lack of regulation is impeding market access for Australian organic exporters. Only regulation of the Australian domestic market will provide the assurity needed for improved export market access.

The Australian government is conflicted between its role in managing the organic standard in the best interest of the industry, and its other policy functions to be fully effective in governing the organic standard.

In summary of our attached submission, we support the proposed *National Organic Standard Bill 2024* with the exception that it is more appropriate that the organic standard is managed by Standards Australia under government oversight, as this represents best regulatory practice.

Yours sincerely,

Peter Hislop Speers  
Chair

## Background

### Organic Operators Australia

- Formed in 2017 in collaboration with government to act as organic industry peak body and properly constituted to perform this role.
- Acts as a representative body only and does not have conflict of interests connected to revenue from managing a private standard, revenue from trademark licensing or operation of certification and or auditing functions.
- Our members are certified by each of the five main certifying bodies operating in Australia.
- The Organic industry funds 2.5million hectares of biodiversity preservation in Australia as mandated under the organic standard. This is likely one of the largest privately funded biodiversity preservation areas in the world.
- Our objectives include:
  - Improve the competitiveness of certified organic operators
  - Promote the integrity of certified organic production systems and products
  - Promote wider uptake of sustainable farming systems and markets, based on organic principles and imbued with a culture of innovation, of progressive improvement towards best practice, of transparent integrity, of inclusive collaboration of holistic systems and of true value pricing.

## International Federation of Organic Agriculture Movements (IFOAM)

Organic Operators Australia is a member of the International Federation of Organic Agriculture Movements (IFOAM)<sup>1</sup>. In 2024, we proposed the ascension of a regional Oceanic pasifika representative office of IFOAM to facilitate cooperation and development of Pacific nations in organic and sustainable agriculture in this region.

IFOAM publishes comprehensive guidance on organic standards and governance. In 2010, IFOAM launched its Organic Guarantee System (OGS)<sup>2</sup>. The implementation of OGS brought major changes to the IFOAM Norms.

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<sup>1</sup> [IFOAM - Organics International | Home](#)

<sup>2</sup> [Organic Guarantee System \(OGS\)](#)

Since 2012, the IFOAM Norms contain the following normative documents:

- The IFOAM Standard<sup>3</sup> – an off-the-shelf certification standard
- The IFOAM Standards Requirements<sup>4</sup> – also called the Common Objectives and Requirements of Organic Standards (COROS), which replaced the IFOAM basic Standards (IBS)
- The IFOAM Accreditation Requirements<sup>5</sup> (formerly IFOAM Accreditation Criteria)

The development of the IFOAM Norms is regulated by the IFOAM Policy 20<sup>6</sup> and involved three committees<sup>7</sup> and goes through a number of public consultation rounds and membership processes.

There is significant examples of how other countries have achieved certification and accreditation equivalence in international trade contained within the IFOAM references.

Organic Operators Australia would be pleased to provide specialised consultation around international organic industry standards and governance.

## Australian market failure

Genuine organic operators are failing due to a lack of enforcement of a single organic standard across all operators making a claim of organic or biodynamic status.

Every significant study of the domestic organic market ([Chang](#) 2004, [Hall](#) 2007, [Wynen](#) 2007, [Do](#) 2015, [Policy Partners](#) 2017, [Samuel](#) 2021) and some recent high level consulting reports to government ([Deloitte](#) 2021, [Price Waterhouse Coopers](#) 2022), report on chaos, misinformation, and lack of regulation as a major inhibiting factor in consumer trust and/or in greater uptake of organic certification by producers ([Marshall & Ferrier](#) 2024).

One of these reports ([Policy Partners](#) 2017, page iv) noted the criticality of effective market regulation and governance to underpin a well-functioning market of organic and biodynamic produces:

*The future for Australia's organic industry could be more prosperous, leveraging off a growing consumer preference for premium products. But the organic industry's leadership needs to eschew divisiveness and act in the interests of the broader industry. It is imperative to get three things right:*

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<sup>3</sup> [IFOAM Standard](#)

<sup>4</sup> [IFOAM Standards Requirements](#)

<sup>5</sup> [IFOAM Accreditation Requirements](#)

<sup>6</sup> [Policy 20](#)

<sup>7</sup> [OGS Committees](#)

- **value creation**—*the structure and objectives of the peak body must create value for the industry, by focussing on the industry's future and the interests of organic growers, processors and traders*
- **effective regulation**—*the industry's self-regulation arrangements must be reformed in the best interests of organic growers, processors and traders, and to promote domestic market integrity and market access abroad*
- **building trust**—*to "bring the whole industry along", the organisational processes must embed strongly democratic mechanisms, including representation from all sectors of the industry and a strong emphasis on good governance—including a commitment to transparent processes*

The dysfunction in market regulation is recognised almost universally in the Australian organic industry. Most producers, processors, marketers, organic activists, and consumers, consider that governance of organic standards and certification in Australia needs reform.

In the absence of domestic regulation, four private standards are commonly applied in the domestic market by five government-accredited (for export only) certification bodies, as well as several unaccredited certification bodies, an unknown number of recently established Participatory Guarantee Schemes (PGS), and one long-established PGS that uses the IFOAM Basic Standard ([Marshall & Ferrier 2024](#)).

### **Current Australian domestic organic standard**

The AS6000 is the current Australian standard for domestic organic certification and is governed by Standards Australia. It is the standard adopted by the courts and the Australian Competition and Consumer Commission to evaluate compliance with Australian Consumer Law.

Organic operators which are certified to standards other than AS6000 do not experience protection under Australian Consumer Law due to the confusion of private standards currently in use.

- If AS6000 were universally adopted by certifying bodies for use in the domestic market, it would be used more effectively by the courts and the Australian Competition and Consumer Commission to establish whether organic claims are compliant with Australian Consumer Law.
- The Australian Consumer Law protects consumers and producers against misleading, false or deceptive conduct, and businesses that make any organic claims must be able to substantiate those claims. But existing law is inadequate in regulating the organic market, as products can still be sold with the suggestion they are 'organic', and achieve similar price points to certified products, which incur all the additional costs of being certified to an organic standard.

There are disputes about the compliance of high-visibility nationally distributed certified organic products; uncertified produce is common in local stores and farmers markets; interpretation of allowable practices sometimes differs between certification bodies; information and labels on permitted inputs is inconsistent; and there is some apparent lack of equilibrium in how retail certification is delivered between certification bodies ([Marshall & Ferrier 2024](#)).

Overall, growers, traders, and consumers are exposed to a lack of information, misinformation and lack of transparency about how the industry is managed, and the integrity of organic products.

### Global regulation of organic products

Australia stands in stark contrast to all other advanced economies in not having implemented comprehensive domestic regulation for the production and marketing of organic products. Indeed, 94 countries have implemented, or are advanced in implementing, comprehensive organic regulations.

Based on the most recent data compiled by *IFOAM – Organics International* for 2022 ([IFOAM 2024](#)), 75 countries have effectively enacted comprehensive regulations governing organic agriculture. Furthermore, 19 countries have put in place organic regulations that are not yet fully enforced, and 14 countries are presently in the process of drafting legislation. Significantly, New Zealand has made the decision to comprehensively regulate the organic sector, whereas Australia has chosen not to partake in this process and has opted to regulate only export operations.

Table 1: Organic regulations worldwide by region, 2022

Continent	Drafting	Implemented	Transitioning	Total
Africa	5	1	4	10
Asia	7	11	10	28
Europe		41	2	43
Latin America & Caribbean	2	16	3	21
North America		2		2
Oceania		4		4
<b>TOTAL</b>	14	75	19	108

Source: [IFOAM – Organics International](#) 2024

That Australia only regulates the export of organic products is an artefact of our constitutional arrangements, so that the Australian Government is concerned to ensure the integrity of exports of Australian organic products and has limited power to regulate domestic product markets.

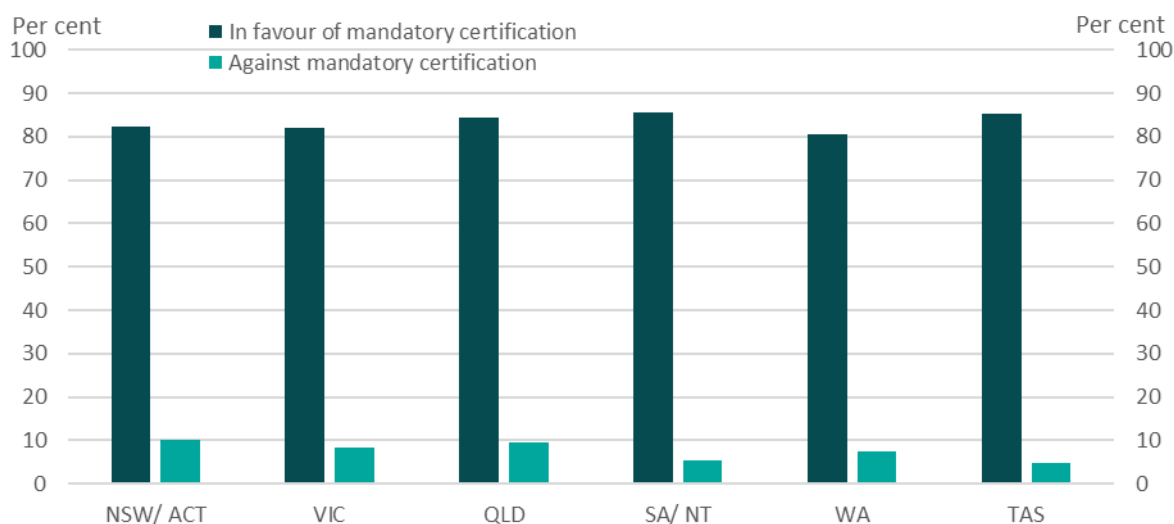
In contrast, the States have the necessary authority to regulate the domestic organic market but are absent in that space. In some other markets, the national and State governments collaborate on domestic regulation. A general confusion about government responsibility for organics regulation is not helpful in providing the regulatory clarity that consumers, producers and our export markets require.

### Views of organic consumers and producers

Australian consumers are strongly in favour of mandatory independent certification of all foods which are labelled as organic and that it should be illegal to market or label a product as organic when it is not certified to be organic. These results are consistent across all States and age groups.

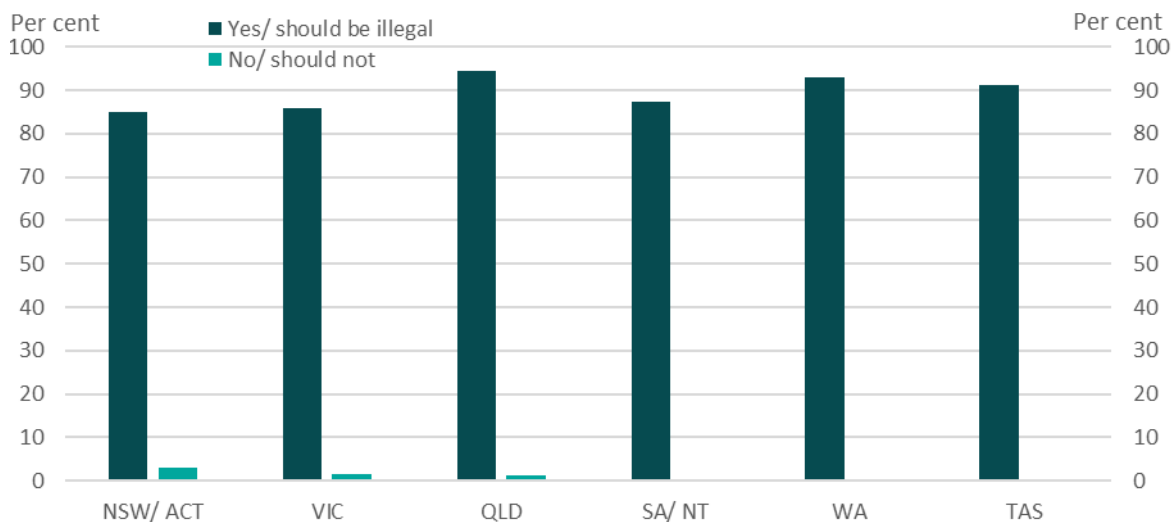
In a 2021 survey, consumers were asked whether they would be in favour or against mandatory independent certification of all 'organic' foods. The consumers were overwhelmingly in favour of mandatory certification (83%), and only a small cohort was against (9%). These results were consistent across all States and age groups (Chart 1). Perhaps surprisingly, as they had the lowest likelihood of purchasing organic product, older consumers (aged 65+) were most strongly in favour of mandatory certification (92%).

Chart 1: Mandatory certification of organic products, 2021



Consumers of organic products were also asked whether it should, or should not, be made illegal to market/ label a product as 'organic' when it is not genuinely organic. Overwhelmingly (88%), organic consumers thought that it should be illegal to sell organic products that are not certified to be organic (Chart 2). A negligible number (2%) thought it should not be and 10% couldn't say.

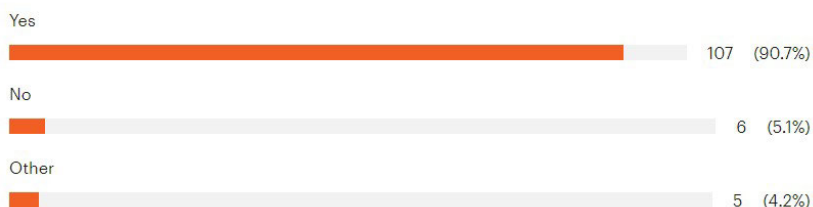
Chart2: Illegal to sell organic products that aren't certified



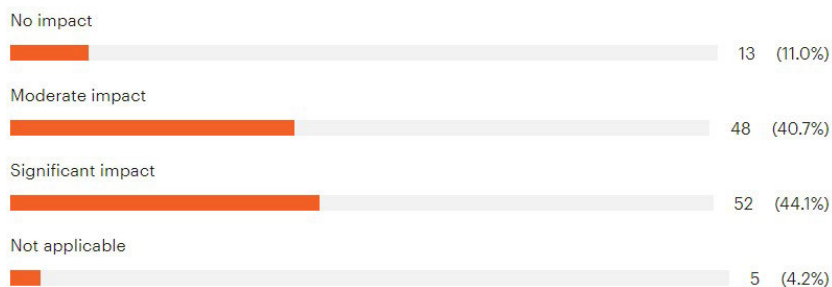
Our 2022 survey of organic operators demonstrated that there is overwhelming support (91%) from operators for the regulation of the term 'organic'. Respondents indicated a preference for this to be implemented through a separately legislated scheme and administered by a new regulator.

Furthermore, 85% of respondents indicated that the lack of domestic regulation had an impact on their business.

“1. Should Australia regulate the term ‘organic’ so that it means all stages of production have been certified as using organic methods?”



“2. How much do you think the lack of domestic regulation affects your business?”

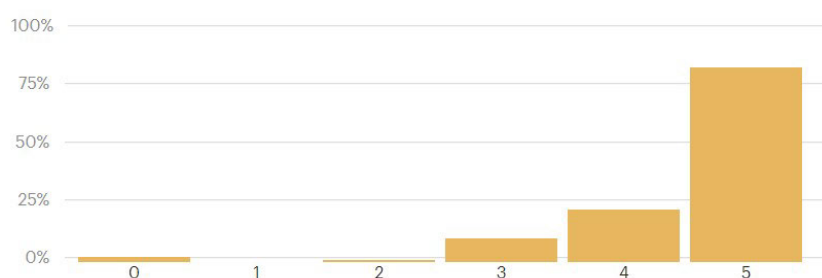




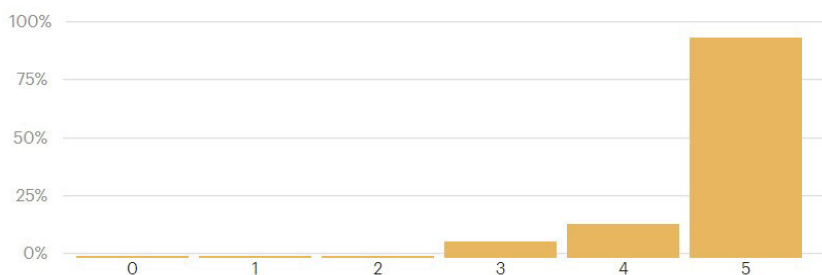
How much do you agree with the following statements?



“The lack of regulation is bad for organic producers who have additional production costs and certification requirements, and who currently have to compete with products that are labelled ‘organic’, but which are not certified organic.”

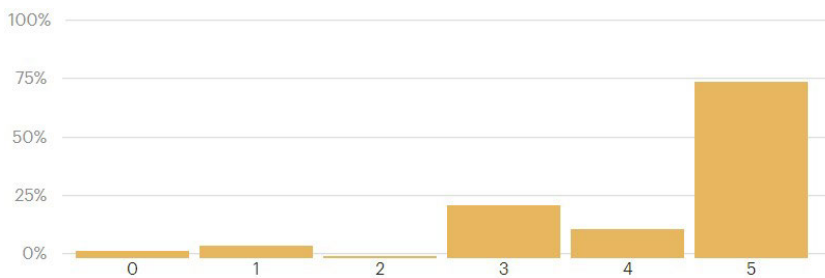


“The lack of regulation is bad for organic consumers, in that there is no protection from products being sold in Australia as organic when they may well have been produced using synthetic fertilisers, pesticides and herbicides.”





“The lack of regulation is bad for organic exporters, whose access to markets is constrained because many of our trading partners think the lack of domestic regulation undermines the case for accepting our organic exports?”



### The need for legislative action

Data on Australia’s organic industry is very poor. The Australian Bureau of Statistics previously collected information about organic agriculture in their 2011 and 2016 census of agricultural production and in annual surveys. That data was poor and not useable, and the 2021 census ceased collecting organic information. Industry estimates of production are based on incomplete information and suffer from methodological deficiencies which make much of the reported information unreliable.

Our best estimate is that organic agriculture comprises around 1.2% of national agricultural production, and that this level has not changed significantly over the last decade. Industry growth has not been spectacular, except in a few sectors—successful beef exports being a notable exception, albeit on the back of hard work and favourable overseas market conditions.

These circumstances are largely a result of confusion between governments as to who is responsible for regulating organic products and providing policy guidance, and an absence of financial support for industry development from government or Research and Development Corporations. In fact, the organic industry considers that it subsidises conventional agriculture, as we receive very little support from the RDCs.

In stark contrast, as part of its focus on sustainable farming, the European Union has implemented a target of increasing the total of agricultural land under organic farming to at least 25% by 2030. And, from 1 January 2022, new legislative measures took effect:

- a strengthening of the control system, helping to build further consumer confidence in the EU organics system;
- new rules for producers which will make it easier for smaller farmers to convert to organic production;
- new rules on imported organics to ensure that all organic products sold in the EU are of the same standard;

- a greater range of products that can be marketed as organic.

Strong consumer acceptance of organic products in the European Union and the USA is also supported by clear labelling requirements and only one government trademark which signifies certification by an authorised certification body.

However, the most compelling argument for improved government regulation of organic products is that all of our major trading partners require organic regulation in Australia's domestic market in order to grant equivalence of domestic certification with importing country certification. The USA, China, Canada, the United Kingdom, and soon the European Union are all in this category. In the absence of equivalence arrangements, Australian exporters must be certified once under Australian export regulations, and then again for every country they want to export to. This substantial impost in terms of cost, time and nuisance results in the majority of organic producers avoiding exporting, while those who do export complain about the very significant regulatory burden.

## Assertions in relation to the Bill

Organic Operators Australia asserts that

1. Which Standard should be used
  - a. The Bill proposes to direct the proposed legislation to the National Organic and Biodynamic Standard administered by the Department of Agriculture Fisheries and Forestry.
  - b. This is consistent with existing bilateral trade agreements being preserved through this Bill recognising the National Organic and Biodynamic Standard as the basis of these agreements.
  - c. OOA is working with Standards Australia on making AS6000 consistent with the National Organic and Biodynamic Standard. The bill and the National Organic and Biodynamic Standard can then both refer to AS6000 as the organic standard governing exports and the domestic market.
2. Standards Australia already manages standards for the Australian Government
  - a. Standards Australia provides best practice governance including change management, technical committees, working groups, and a host of governance protocols to ensure unbiased standards management.
  - b. Standards Australia can manage the organic standard at a lower cost than the government and shifts the cost of managing the standard from the taxpayer to the industry.
  - c. The Department could mandate a level of control over the standard via Standards Australia that satisfies the requirement of foreign market regulators to preserve its status as the recognised competent authority.
    - i. This is based on the Canadian example where standard equivalence has been achieved with the USA using a similar structure to this Standards Australia proposal.
3. Standards Australia has already commenced engagement
  - a. Organic Operators Australia has already proposed its **One Organic Standard**<sup>8</sup> including Standards Australia managing the standard.

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<sup>8</sup> [One Organic Standard | Organic Operators Australia](#)

4. Department of Agriculture Fisheries and Forestry (DAFF)

- a. DAFF has confirmed that they ONLY manage the National Organic and Bio-dynamic Standard, as a standard for the EXPORT of organic goods from Australia and as a basis of bilateral trade protocols.
- b. DAFF does not have the authority to enforce the standard in the domestic market, and this would be enforced instead by state-based regulators.
- c. DAFF does not have the budget to significantly expand the resourcing of the Organic Exports team, to appropriately manage the significant burden of change management in the coming years, the management of technical and working committees and associated international alignment both with bilateral trade partners and international organic standards bodies.
- d. As has been warned in the Deloitte and the later PwC consultations to DAFF, a cost recovery / user pays approach to the cost of DAFF managing the organic standard would put too much cost burden on the organic industry.

## Response to the Proposed Bill

The table below lists the changes we propose to the Bill.

<b>Reference</b>	<b>Change from</b>	<b>Change to</b>
<i>National Organic Standard Bill 2024 Part 1, Section 7  Lines 16 to 18</i>	Organic goods means goods that are described as, or described as including ingredients that are, organic, biodynamic, biological, ecological or any other similar description, and includes goods that are described as in-conversion to organic or biodynamic.	Organic goods means goods that are described as, or described as including ingredients that are, organic, biodynamic, biological, ecological, regenerative, agroecological and any other similar description. and includes goods that are described as in-conversion to organic or biodynamic.
<i>National Organic Standard Bill 2024 Part 1, Section 7 Lines 16 to 18</i>	National Organic Standard means the National Standard for Organic and Bio-Dynamic Produce published by the Department, as that document exists from time to time.	AS6000 published by Standards Australia under DAFF oversight.
<i>National Organic Standard Bill 2024 Part 1, Section 8 Lines 1 to 2</i>	Secretary means the Secretary of the Department administered by the Minister for Agriculture.	Secretary means the Standard committee of AS6000 acting consistently with the direction of the Minister for Agriculture.

If the above amendments made, Organic Operators of Australia support the Bill.