

Organics Industry Advisory Group (OIAG) - Videoconference

19 January 2021 1:00pm – 3:00pm AEDT

Meeting Summary

The Chair welcomed attendees and outlined the OIAG terms of reference and forward work plan. The Chair noted that should members wish to share documents with the Group, to send the documents to the Secretariat who will then circulate to members.

The Department provided the broader background and context to the group being formed, its linkages to the Agriculture 2030 target of a \$100 billion agriculture industry by 2030 and reiterated the Minister's expectations that the Group will have concluded its work before the end of March 2021. The Department also noted the whole of government interest in the Group's work.

All members introduced themselves, their role in the organics sector and their expectations for the meeting. The key expectations noted by members were:

- to reach a consensus on whether the current domestic organics system is fit-for-purpose; and
- to clarify strengths and weaknesses in the system, regarding export equivalence arrangements, market integrity and consumer confidence.

The Chair asked members, what is and what is not working well in the current domestic organics system. The key points raised were:

- The lack of a single, mandatory, domestic organics standard negatively impacts consumer confidence and prevents equivalence arrangements with export markets.
- There is currently a risk that non-organic products or ingredients find their way into organic supply chains because there is no mandatory standard, which threatens integrity and export opportunities.
- The cost of organic certification is an inhibitor for small producers.
- The National Standard for Organic and Bio-Dynamic Produce (National Standard) works well, is free, and correlates with some international standards.
- Government ownership of the National Standard provides more certainty to trading partners and a government logo like the USDA organics logo could build greater consumer confidence.

Outcome – The Group agreed that the current domestic organics system is not fit-for-purpose.

The Chair asked members, how could the system be improved. The key points raised were:

- The implementation of the National Standard domestically to provide sector-wide consistency is preferable, noting that implementing a different standard domestically would not solve export equivalence issues.
- The system needs to facilitate export opportunities to grow Australia's organic sector, due to Australia's limited domestic market.
- More resourcing towards managing domestic organics regulation is needed, to allow for greater auditing and enforcement of non-compliance measures (similar to the US).
- A consistent and concise definition of 'organic' and related terms is needed to support consumer confidence, including consumer education on organic certification.

Outcome – The Group agreed that Australia's domestic organics system could be improved by implementing the National Standard domestically.

The group discussed the key learnings from the meeting. Members noted that the meeting had been productive through identifying multiple opportunities to improve domestic organic regulation.

The Chair and the Secretariat outlined the focus of the next OIAG meeting and confirmed the next meeting date.

Outcome – The Secretariat agreed to send meeting invitations for all OIAG meeting dates.

Organics Industry Advisory Group (OIAG) - Videoconference

29 January 2021 1:00pm – 3:20pm AEDT

Meeting Summary

The Chair welcomed attendees and outlined the key outcomes of the last OIAG meeting. Some members noted that while the Group reached consensus that Australia's domestic organics system could be improved by implementing a mandatory standard, it had not agreed that this standard would necessarily be the existing National Standard. It was suggested that further discussions were needed on this point.

The department provided an overview of the purpose of the meeting and why each question in the discussion paper had been included.

The Chair asked members, what organic products be included under a mandatory domestic organic standard. The key points raised were:

- The standard should apply to all foods labelled as 'organic' or 'bio-dynamic'.
- The standard should apply to all foods covered by the National Standard to ensure consistency.
- It may be beneficial for the standard to apply to all organic products, beyond foods and beverages.
 - It was noted that some countries have a separate organic standard for non-food products.
- Implementing the National Standard domestically could minimise transition costs to industry overall, noting that those already covered by the National Standard would have reduced costs, but those not currently certified would have increased costs.

Outcome – Members agreed all products labelled as 'organic' or 'bio-dynamic' should be certified under an organics standard.

Outcome – Further discussion needed on whether non-food products should be included in the domestic organics standard.

The Chair asked members, who should the mandatory standard apply to. The key points raised were:

- The standard should apply to anyone making an organic claim.
- The standard should include provisions for businesses transitioning to organic.
- Some members suggested that government incentives to assist small organic producers to become certified may be more appropriate than exemptions from the mandatory standard, or penalties for failing to comply with certification requirements.

Outcome – Members agreed that the mandatory standard should apply to all businesses, with provisions for businesses transitioning to organic.

The Chair asked members, how a mandatory standard should be enforced. The department noted that there are a range of different enforcement pathways for domestic regulation that will impact implementation options. The key points raised were:

- Some members noted that the Food Standards Code may not be an appropriate pathway for organics regulation, due to Food Safety Australia New Zealand's focus on food safety.
- Some members suggested Australian Consumer Law (ACL) may be an appropriate pathway:
 - There are existing mechanisms in ACL to report non-compliance, noting any party can initiate legal action.
 - Industry could lead sector-wide education on false claims to raise awareness of the implications of non-compliance or false labelling.
 - The Australian Competition and Consumer Commission (ACCC) may be an appropriate regulator for managing false and misleading product claims, but not on-site inspections.
 - Some members argued that ACL and the ACCC is not a viable enforcement option and reported that the ACCC is currently not proactive or adequately resourced to ensure compliance.

- Some members suggested a new enforcement mechanism is required:
 - A member suggested the standard be enforced at a federal level due to organics supply chains crossing state/ territory jurisdictions.
 - There were some suggestions of exploring the option of providing certifying bodies with enforcement powers to conduct on-site inspections of certified businesses.
- There is an existing reporting mechanism for the National Standard through the Organic Industry Standards and Certification Council, which could be extended to domestic complaints.
- Members commented that enforcement should include the ability to penalise non-compliance by revoking organic producers' accreditation and withdrawing their ability to use the term 'organic'.

Outcome – The Secretariat agreed to provide information on possible enforcement options to inform further discussion on this topic.

The Chair asked members whether certification be required and if so, whether there be a government certification logo. The key points raised were:

- Certification should be mandatory to provide evidence of regulatory compliance.
- There should be one certification logo used to support consumer confidence.
- Mandatory certification is essential to support the negotiation of export equivalence agreements.
 - This could reduce costs for exporters by removing some certification and auditing processes to meet international standards.
- Some members suggested that Government adopt Australian Organic Limited's logo as it is widely used.
 - Some members do not agree with industry being required to pay to use a logo and noted that it is unlikely that government would mandate an industry owned logo.
 - The Chair noted that there are competing commercial interests on this topic.
- Some members suggested a new logo be used, noting that this would require funding and a consumer education and marketing campaign to build brand awareness.
- There should be a transition period to allow businesses time to change their product labelling to include the logo at the lowest cost possible, noting using a Government logo does not preclude additional certification.
- Some members objected to paying for use of a logo.

Outcome – The Group agreed that a mandatory certification scheme is required.

Outcome – The Group agreed that a single logo should be used.

Outcome – The Group did not reach consensus on whether the logo should be new or be adopted from an existing certifying organisation.

The Chair asked members, how should a mandatory standard be implemented? The key points raised were:

- A phased approach would be beneficial to allow organic producers time to transition to new regulations and labelling requirements.
- Certifiers could create databases of non-compliant businesses and pass on to the Government for scrutiny.

Outcome – The Secretariat agreed to provide examples of international approaches to domestic organics regulation in the next discussion paper to inform further discussion on this topic.

The group discussed the key learnings from the meeting and agreed to continue discussions on implementation options at the next meeting.

The Chair and the Secretariat confirmed the next meeting date and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

12 February 2021 1:00pm – 3:00pm AEDT

Meeting Summary

The Chair welcomed attendees and outlined the key outcomes of the last meeting. Members discussed whether the group would recommend the National Standard be implemented domestically, noting there is a significant majority of members in favour of doing so. The key points raised against recommending the National Standard were:

- The development processes of Standards Australia and the AS6000 is more transparent and inclusive than the National Standard.
- There is a lack of consumer representation on the development of the National Standard.
- Some members noted that the group had not been asked to recommend a particular standard to Government, rather to recommend if a mandatory domestic standard should be implemented.

In response, a member clarified that there are mechanisms in the Organic Industry Standards and Certification Council (OISCC) through the National Standards sub-Committee (NSsC) to facilitate consumer representation on the development or reform of the National Standard. Multiple members expressed their support for implementing the National Standard at the domestic level, noting less than 1% of organic operators are certified against the AS6000 standard.

Outcome - The Chair noted the points raised and suggested that the content of any standard implemented may need to be revised. The Chair clarified that the group do not need to reach consensus on which standard to implement but can recommend to Government that a mandatory standard be implemented, noting the significant majority are in favour of the National Standard.

The Chair asked members what compliance mechanisms should be available to enforce a mandatory standard. The key points raised were:

- The existing compliance powers given to certification bodies are working and should be extended to the domestic market.
- There needs to be a mechanism to ensure compliance for businesses that are not certified.
- There needs to be a mechanism for consumers to raise complaints.
 - There is an existing consumer complaint portal on the OISCC website. However, OISCC is not well known by consumers or within the organics sector and complaints are rare.
- Under the Australian Consumer Law (ACL) framework, consumers can make complaints to the ACCC or state bodies.
 - Members noted that the ACCC has difficulty managing organic complaints due to the lack of clarity on the term 'organic'. It was suggested that once a mandatory standard is in place, ACL mechanisms may be more successful.

Outcome – Members agreed that there needs to be a complaints system.

Outcome – Members agreed that there needs to be a mechanism to audit certifiers to ensure they correctly certify organic operators.

Outcome – Members agreed that the group is agnostic on what mechanism is used to enforce a domestic standard, as long as it is applied nationally and consistently.

The Chair asked members, how the standard should be implemented. The key points raised were:

- The Food Standards Code is unlikely to be an appropriate pathway to implement a domestic organic standard, due to Food Standards Australia New Zealand's (FSANZ) focus on food safety.
- A co-regulatory system within the ACL framework may be appropriate.
 - The mandatory domestic standard would be recognised by ACL and an industry body could be created and given compliance powers to deal with certain matters. For example, the industry body could take complaints and escalate matters to government, as necessary.
 - The National Standard already operates through a quasi co-regulatory framework, with certifying organisations issuing Organic Produce Certificates on the Government's behalf.

Outcome – Members did not reach consensus on how the standard should be implemented, however there was broad support for a co-regulatory system under ACL.

The Department of Agriculture, Water and the Environment (the department) provided an overview of a proposed cost-benefit analysis (CBA) and the draft terms of reference. The department noted that the CBA's purpose is to evaluate the costs and benefits of introducing a mandatory standard and possible implementation pathways (ACL, FSANZ, and a new model through standalone legislation).

The department noted that the CBA will provide the group with additional information and evidence to inform its recommendations to Government. The department requested the group endorse the CBA terms of reference before the department formally engages an independent contractor to conduct the CBA. The group will have the opportunity to review a draft report and to provide comments to the contractor to inform the final CBA, following a presentation on the CBA to the group.

The Chair asked members to endorse the CBA proposal and the terms of reference, and to provide any comments on particular elements to be considered in the CBA. The key points raised were:

- Members requested that the likely timeframes to implement each option be considered.
- Members requested that the CBA consider the existing costs and benefits of implementing the National Standard domestically, with reference to:
 - The transition costs for existing certified operators.
 - The potential for more export equivalence arrangements.
- A member requested that the CBA consider the impact of imported organic goods or ingredients on Australia organic supply chains.

Outcome – Members endorsed the CBA proposal and the terms of reference.

Outcome – Members agreed that the CBA should consider all three mechanisms outlined in the terms of reference.

The department noted that Deloitte has been approached to conduct the CBA. Deloitte has advised that it is unlikely that they will have a finished draft report to provide to the group before the next scheduled meeting (26 February). The department noted that the next meeting may be delayed a week (5 March) to give Deloitte additional time to complete a thorough draft CBA.

Multiple members questioned the need to evaluate the AS6000 standard in the CBA, noting the use of the standard has significantly decreased since its initial formulation.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

5 March 2021 11:00am – 1:30pm AEDT

Meeting Summary

The Chair welcomed attendees and outlined the key outcomes of the last meeting. One member raised concerns that some of the figures outlined in the previous summary were not adequately interrogated. The member noted that the group agreed a lack of resourcing is hampering the ACCC's ability to manage complaints.

The Chair noted that a draft version of Deloitte's cost-benefit analysis (CBA) had been circulated to the group prior the meeting. The Chair clarified that the CBA is not exhaustive and is designed to assist the group to determine which recommendations to provide to Minister Littleproud. He advised that written comments on the CBA would be provided to Deloitte as long as the department received them by COB 8 March 2021. Members were strongly encouraged to provide data and evidence to inform any requested changes to the CBA.

Deloitte representatives presented the findings of their draft CBA. The key findings were:

- Option 1a through Australian Consumer Law (ACL) with mandatory certification has the best net present value (NPV), with larger costs and benefits.
- Option 2 through the Australia New Zealand Food Standards Code (the Code) has the best benefit cost ratio (BCR) and the second best NPV due to lower implementation and enforcement costs, and not imposing certification costs on producers.
- Options 3a and 3b through a new Commonwealth regime received negative NPVs and BCR ratings less than 1. This is due to higher implementation and enforcement costs incurred by government.
- Deloitte undertook a range of sensitivity analyses on the CBA's assumptions and inputs, in which Option 2 received the best BCR for all analyses.
 - Sensitivity analysis shows that the results are highly sensitive to consumer willingness to pay for certified product.
 - The non-certification options (1b, 2, and 3b) have smaller benefits relative to Options 1a and 3a due to the assumption that without mandatory certification, consumers will be less willing to pay a price premium.
 - The sensitivity analysis on a potential government exemption scheme for operators with turnover of less than \$50,000 reduces the overall CBA ratio of affected options (1a and 3a).

The Chair welcomed members' questions and comments for Deloitte's consideration. The key topics discussed were:

- Some members expressed concern regarding the use of data from other countries rather than Australia, and the lack of recent data.
 - Deloitte advised that after a thorough research process these data or information sources were determined to be best available. Deloitte advised that they are open to receiving new data or information to refine the final CBA.
- A member suggested that the costs on industry of mandatory certification were overstated and could be mitigated by a longer transition period.
 - Deloitte agreed to undertake a sensitivity analysis to examine potential costs saved if the two year transition period was extended.
- Some members questioned why the costs and benefits to currently uncertified businesses were considered in the CBA.
 - Deloitte advised that the CBA evaluates the total economic impact. Because uncertified producers will be directly affected by all options, it is appropriate that the costs and benefits be evaluated for these businesses.

- Some members requested the CBA factor in the cost currently being incurred by exporters for lost export opportunities due to a lack of equivalence arrangements.
- Multiple members suggested that the CBA could be improved by evaluating the benefits to industry from increased organic equivalence arrangements.
- Multiple members questioned the accuracy of the estimated number of uncertified businesses.
 - Deloitte noted that they are open to receiving new data or information to refine this estimation.
- Some members suggested that the assumption that the organics sector will continue to grow without a mandatory domestic organics standard is flawed.
 - These members suggested that if the sector continues without mandatory certification of all organic products, there would be a market failure because consumers would not continue to buy organic products.
- Some members noted the lack of sufficient examination of costs and benefits to consumers.
 - Deloitte clarified that consumer benefits are captured in sections 3.2.3 and 3.3 of the CBA.
 - Deloitte clarified that consumer costs are captured in section 4.2.1 and 4.3, noting that the CBA did not include any assumptions on the potential for an industry monopoly to develop.

Outcome - Multiple members agreed to provide data and other information for Deloitte's consideration.

- A member suggested that Option 2 will not guarantee the long-term security and profitability of the organics industry because the option does not mandate certification. The member noted it is difficult to cost the long-term security of the sector but that it is a major factor that the group should consider when making a recommendation to Minister Littleproud.

The department noted that the CBA is a tool to assist the group identify appropriate recommendations to Minister Littleproud. The department acknowledged that there are information gaps in the CBA and noted that members' concerns with the CBA can be included in the group's final report. The department encouraged members to consider the evidence available and to think about what recommendations they can provide to Minister Littleproud.

Some members expressed their preference to wait until the CBA was refined to make a recommendation.

Outcome – The group did not discuss which implementation pathway to recommend to Minister Littleproud.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

19 March 2021 11:00am – 1:30pm AEDT

Meeting Summary

The Chair welcomed attendees and outlined the key outcomes of the last meeting. The Chair noted that many members have expressed concerns with Deloitte's cost benefit analysis (CBA) and clarified that the group is not being asked to endorse the CBA. Any concerns or issues with the cost benefit analysis can be included in the group's final report to Minister Littleproud. The Chair invited Deloitte representatives to present the findings of their updated CBA.

Deloitte thanked the group for their feedback and noted they actioned suggested changes, where appropriate and evidence-based. The key changes were:

- The number of estimated uncertified organic operators was reduced from 71 per cent down to 50 per cent (1,953).
 - The change impacted the benefit cost ratios (BCR) and net present value (NPV) ratings. Option 2 continued to have the highest BCR, and now received the highest NPV rating.
- Additional commentary to note potential benefits to the organics industry from equivalence arrangements, however, there was no quantified analysis because the realisation of this benefit is dependent on a range of factors.
- All non-food uncertified operators were removed from Option 2 throughout the analysis in recognition that they would not be captured in the Food Standards Code.
- Two additional tables separating the private and public costs and benefits, demonstrating significantly higher benefits to industry under options 1a and 3a.

Deloitte paused their presentation and took questions from OIAG members. The key topics discussed were:

- Some members noted excluding all non-food products from Option 2 skews the overall results of the CBA because it compares implementation pathways that do not provide the same level of coverage.
 - A member argued that a supplementary scheme should be quantified under Option 2 to cover non-food products to better illustrate the limitations of the Food Standards Code.
- A member noted that the revised CBA still primarily examines costs and benefits for currently uncertified operators and fails to attribute any benefits to certified operators.
 - Deloitte advised that the main costs and benefits identified by the CBA were from certification costs and consumer's willingness to pay for certified goods. These two factors will impact uncertified operators more than currently certified operators. This is why the CBA's calculations primarily impact uncertified operators.
- A member noted that the costs of creating specialised products to comply with international organic standards are not currently captured in the CBA.
- A member contended that Australia currently references 'organic' under the folate exemption in the Food Standards Code. The member suggested that the group had not explored the flexibility of the Food Standards Code and what could be captured in it.
- A member questioned the high costs on government to establish a compliance and enforcement body, noting the existing arrangements for export certification and relationships between certification bodies and government.
 - Deloitte advised that the department does not currently have the resources or expertise to regulate and enforce a mandatory standard to the extent envisioned by the group under options 3a and 3b, which comes at a cost.

Deloitte continued their presentation to outline the results of the sensitivity analyses and scenarios.

The department clarified that the group can choose how to use the CBA and that they should not feel constrained by the results of the CBA when considering its recommendations to Minister Littleproud. The

Chair noted that the CBA is potentially the first step in broader research and analysis of the sector to inform government decision making.

The department noted the preliminary results of the OIAG survey:

- 10 of 13 votes supported Option 3, with 2 votes for Option 1 and 1 vote for Option 2.
- 11 of 13 votes supported the use of the National Standard as the domestic standard, with 1 vote for the Australian Standard (AS6000) and 1 vote for a food standard under the Food Standards Code.

The Chair invited members to discuss which implementation pathway they would recommend to government, based on the evidence available and their industry expertise. Noting that any changes to regulation will likely require a whole of government decision. The key discussion points were:

- A member noted the range of issues with the CBA and the group's overall scepticism in the accuracy of the CBA results. The member indicated their support for options 1a and 3a, noting their confidence that there are significant export benefits.
- Multiple members expressed concern with how the CBA will be used in government.
 - The department agreed to request that Deloitte include a page in the CBA outlining its limitations and the views of members. If Deloitte agrees, the department will draft the content and circulate to the group for comment.
- A member asked the department if the Department of Foreign Affairs and Trade (DFAT) had been consulted on how to best achieve equivalency.
 - The department advised that DFAT had been consulted and that their advice indicated that the implementation path is not a major factor for negotiating equivalence. The key factor is the design of the regulatory framework.
- A member suggested that if government pursued a domestic organic standard through the Food Standards Code, industry would be better off without a domestic standard
- A member noted that they are not wholly convinced that mandatory certification is necessary to eradicate misleading claims. The member suggested that implementing a mandatory domestic standard with a complaints system, clear enforcement processes, and powers to impose appropriate penalties, would be a better way to eradicate misleading claims.
- A member asked the department if they had access to organic certificate data and if that could be used in the group's report.
 - The department agreed to consult internally on whether this information could be used.

The department noted that a draft final report had been circulated for comment and confirmed that the group has total control on the contents and recommendations within the report. The Chair requested members provide any comments on the draft report by COB Wednesday 24 March to allow sufficient time for the department to prepare a revised report for the group's endorsement.

Outcome – Members agreed to provide comments on the OIAG draft report by COB Wednesday 24 March 2021.

Outcome – Members agreed to provide comments on CBA by COB Monday 22 March 2021.

Outcome – Members agreed to convene for a sixth meeting on Tuesday 30 March 2021 and to discuss and endorse the final report.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

30 March 2021 11:00am – 1:00pm AEDT

Meeting Summary

The Chair welcomed attendees and invited the department to outline how the draft report will be used and to provide an update on the future of the group.

The department advised there have been ongoing discussions with Minister Littleproud's office on the progress of the group. While there is a clear directive from the group that a mandatory standard should be implemented through new standalone Commonwealth legislation, the Minister's Office has requested the group refine its business case in a second phase of consultation.

Phase 2 will provide the group with additional time to consider how to best frame a case for change and consider ways to reduce the costs of implementing a mandatory standard. The department advised that the draft report prepared for the group's endorsement will function as an interim report. The group will then provide a final report to the Minister by 31 May 2021.

Members were invited to ask questions. The key topics raised were:

- A member requested the department create a one-page illustration to provide a short overview of the organics industry as it stands.
 - The one-pager would include: a summary of the state of the organics industry; the potential growth opportunities for the sector; and text to explain why the group has recommended standalone Commonwealth legislation as the implementation pathway.
 - The department noted that a one-pager was currently being drafted.
- A member suggested the group use its additional time to explore consumer protections, with specific reference to product labelling and a complaints and enforcement mechanism.
- A member noted the importance for non-food products being covered by the standard to support truth in labelling across the sector and that this could be explored in greater detail.
- A member queried whether any substantive research would be undertaken during Phase 2.
 - The department advised that formal data collection could take up to 12 months and therefore, in the time available the group should collectively test the available data so that better assumptions can be made.
 - Some members suggested that they have access to data that was not used in Deloitte's CBA that could inform Phase 2 and the group's final report.
- Multiple members supported the extension of the group's advisory function, noting that this will give the group additional time to substantiate its recommendations.

Outcome – The department agreed to send the draft one-pager to members for comment.

The Chair asked members if they had any concerns or comments on draft interim report. The key concerns and comments discussed were:

- A member requested a rewording in the Executive Summary to clarify that the group agreed that the department would engage a consultant to undertake a cost benefit analysis.
- Members requested the report remove reference to the group considering an incentives program to assist uncertified operators, noting there had not been a detailed discussion on this topic.

Outcome – The department agreed to update and finalise the interim report to reflect the above requests.

Outcome – Members endorsed the interim report, subject to agreed amendments, and agreed for the Chair to submit the interim report to Minister Littleproud.

The Chair commended members for their efforts to produce the report and noted that the department will be in touch with information on next steps.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

19 April 2021 10:00am – 12:00pm AEST

Meeting Summary

The Chair welcomed attendees and provided a summary of the previous meeting. The department noted that Phase 2 of the group's consultation will focus on identifying how a mandatory standard would be best implemented and enforced.

The Chair asked members, what powers should certifying bodies have to enforce compliance with certified operators. The key points raised were:

- Multiple members agreed that the export system should be extended to domestic activities.
- It was noted that the government already audits certifiers so replicating the system would maximise the use of government resources.
- Some members suggested that certifiers be allowed to conduct a fit and proper person test to prevent 'certifier shopping' by operators who have had their certification revoked.

Outcome – Most members agreed that existing powers given to certifying bodies for organic export purposes should be extended to domestic regulation.

The Chair asked members, what powers should government have to enforce compliance in the marketplace. The key points raised were:

- Some members supported establishing a national database of certified operators and certified products to assist consumers and industry to identify which products are not certified.
 - A member noted that the database should be updated in real-time and be accessible. .
 - Some members questioned whether consumers and retailers would use an online database.
- Multiple members agreed that sufficient resources are required for government to oversee a sophisticated complaints mechanism and to investigate potential instances of fraud.
- A member suggested government have oversight of imported organic products to ensure they meet the requirements of the domestic organic standard
- Most members supported the development of a consumer and retailer education program.

Outcome – The department will prepare an enforcement model based on the group's recommendations.

The Chair asked members, what penalties should be available to certifying bodies to enforce compliance with certified operators. The key points raised were:

- Multiple members noted that certifying bodies should be able to revoke certification from non-compliant operators.
- A member suggested that certifying bodies could be given the power to impose financial penalties on non-compliant operators. These penalties could be used to offset costs of conducting audits.

The Chair asked members, what penalties should be available to government to enforce compliance in the marketplace. The key points raised were:

- Some members suggested that government should have a traffic or enforcement pyramid system, with escalating penalties for non-compliant operators. This could begin with a letter from the department notifying the operator they are non-compliant and escalate to fines and prosecution.
- Members noted that there are existing processes in the ACCC for penalising false and misleading products. The members suggested that these processes be incorporated into organic penalties to support consistency.
- A member suggested that government develop clear and consistent packaging guidelines for organic and non-organic products, including restrictions on the use of specific terms and logo placements.

The department advised that the discussion paper and enforcement model for the next meeting will be circulated on Friday 23 April. The department requested members provide any additional comments on the enforcement model 12pm, Wednesday 21 April.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

29 April 2021 9:30am – 11:30am AEST

Meeting Summary

The Chair welcomed attendees and noted apologies. The Chair provided a summary of the key outcomes of the previous meeting and reminded members to provide any relevant information on the costs and benefits to industry of mandating a domestic organic standard to the department as soon as possible to inform development of the next discussion paper.

The department provided a brief overview of possible timeframes to introduce the organic legislation, noting timeframes will depend on government agreement to progress the legislation and competing priorities for government.

The Chair welcomed members to comment on the 'Legislative Coverage' questions under agenda item 2. The key points raised were:

- Most members were supportive of replicating the National Standard in domestic legislation, with some amendments to support the development or equivalence arrangements.
- Some members suggested that organic non-food products be captured in the domestic legislation, but not captured by the National Standard.
 - Some members noted that other key organic markets (USA/ China/ Korea) have separate requirements for non-food organic products.

Outcome – There was no clear consensus from the group on whether the National Standard should be replicated in domestic legislation whole or with carve outs.

Outcome – The department noted it will send a survey following the meeting to confirm member's positions on the key items discussed.

The Chair asked members to comment on the 'Regulation of Imports' questions under agenda item 3. The key points raised were:

- Some members noted that the National Standard already prescribes import assessment requirements for imported products. It was suggested that these could be replicated and enforced.
 - The department noted that these assessments are not currently enforced as the National Standard is not mandatory for imports.
- Members suggested that other businesses in the organic import supply chain (e.g. wholesalers) should become certified to support integrity throughout the supply chain.
- Members suggested that the domestic legislation include provisions to recognise foreign certification bodies and permit them to certify to the Australian standard.
- The department noted that the existing border inspection mechanism for imported food is established through the *Imported Food Control Act 1992* and does not apply to non-foods.
 - If non-foods were to be included in the domestic organic legislation, a new mechanism would need to be created to cover inspection of non-food products.

Outcome – The group agreed that organic import assessments at the border should be mandated to complement existing food labelling and biosecurity assessments.

The Chair asked members to comment on the 'Labelling Requirements' questions under agenda item 5. The key points raised were:

- Most members agreed the current labelling categories are fit-for-purpose.
 - Members agreed that the 'in-conversion' category should remain.
 - A member suggested that the categories could be simplified by not allowing products with less than 95% organic ingredients to be labelled as organic.
- Members expressed diverging views on whether a government logo on product labels should be mandatory or voluntary.
 - Members noted that there are already a range of mandatory labels on products which limit business' marketing abilities, particularly for small products.

- A member suggested that the legislation include labelling provisions to only display mandatory certification on consumer facing products to limit costs to industry while supporting consumers.

Outcome – The majority of the group agreed that the existing labelling categories are fit-for-purpose.

Outcome – The majority of the group agreed that a mandatory mark be applied to certified products. The group did not agree on what form the mandatory mark would be.

The Chair asked members to comment on the 'Consumer Impacts' questions under item 6. The key points raised were:

- Members noted that there will be various positive impacts for consumers, including better assurance measures to support organic integrity and prevent misleading labelling.
- Members noted that there may be a reduction of products marketed as organic on the market as non-compliant manufacturers leave the sector.
- Members suggested that there would be no increase in price, as consumers are already paying for the 'organic' label. Non-certified operators would need to absorb any price margin and this would not impact consumers. Increases in price would depend on a significant increase in consumer demand for organic products that outstripped supply.
- Multiple members noted that an education program would be essential to build consumer awareness of the standard.
- Members noted that the existing system has created consumer issues and that the proposed changes will improve the system.

The Chair asked members to comment on the 'Competition Issues and Regulation Costs' questions under agenda item 7. The key points raised were:

- Members suggested that the negative impacts of introducing the legislation will not be clear until after the system is implemented.
- A member noted that if all businesses across the supply chain are required to become certified, regardless of the proportion of organic products that they sell or produce, some may leave the sector due to the certification costs outweighing revenue from organic sales.
 - This may have flow on effects to organic suppliers, should businesses decide to stop producing organic products rather than become certified.
- Members noted that the existing system is anti-competitive and that the suggested changes will improve the system.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

4 May 2021 10:00am – 10:45am AEST

Meeting Summary

The Chair welcomed attendees and explained that this additional meeting had been organised to allow members with expertise in labelling requirements, consumer impacts, or competition issues who were unable to attend the 29 April meeting to provide comments.

The Chair welcomed members to comment on the 'Labelling Requirements' questions under agenda item 5. The key points raised were:

- A member suggested that if organic non-food items are included in the legislation and must be certified, that they have unique labels to distinguish them from certified organic food products.
- A member noted that any mandatory label must be fit-for-purpose for a variety of applications and be applied through a cost-effective system.
- A member advised that the lack of consistency across domestic organic regulation and labelling requirements is inhibiting sector growth.
 - The member noted that many retailers do not stock organic products due to concerns over the lack of clarity of what constitutes organic and the potential to mislead their consumers.
 - The member noted that there is a significant gap between larger retailers and smaller retailers in their ability to ensure integrity throughout their organic supply chains.
- Two members recommended the legislation mandate a non-compulsory logo.

The Chair welcomed members to comment on the 'Consumer Impacts' questions under agenda item 6. The key points raised were:

- A member noted that their organisation had conducted a survey of some of their members.
 - The survey indicated that some retailers are moving away from organics due to the 'confusing market.'
 - The survey indicated that some retailers would stock more organic products if there was a mandated Australian standard.
- Two members noted that the organic cosmetics sector presents regulatory difficulties due to multiple cosmetic certification schemes and the use of 'organic' in trademarks.
 - A member suggested that if the National Standard is adopted in the domestic legislation, the sections covering cosmetics would require a complete review to bring it into line with international standards.

Outcome – A member agreed to send their survey data to the department.

The Chair welcomed members to comment on the 'Competition and Regulation Costs' questions under agenda item 7. The key points raised were:

- A member recommended that the design of the mandatory domestic organic legislation should encourage participation in the organics sector and not drive-out small producers.
- A member noted that the existing system has created consumer issues and that the proposed changes will improve the system.
- A member noted that the existing system is stifling growth across the supply chain.
 - Retailers are not stocking organic products because the organic regulatory framework is too complicated.
- A member suggested that Australia replicate the US system for exemptions for small producers.

The Chair thanked attendees for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

13 May 2021 10:00am – 12:00pm AEST

Meeting Summary

The Chair welcome attendees and provided a summary of the key outcomes of the previous meeting. The department presented the results of the OIAG survey. By majority vote, the results demonstrated that:

- The group recommends that the proposed domestic legislation cover food products, with the flexibility to include non-food products in the future.
- The group supports the replication of the National Standard as it currently stands for food and non-food products in domestic legislation.
- The group agrees that the existing labelling categories in the National Standard are fit-for-purpose.
- The group recommends that the display of a government-owned logo be voluntary and the display of a certifier's details be mandatory on product labels.
- The group recommends that the display of a certification number and the certifier's details be mandatory on product labels.

Outcome – The department agreed to circulate the results of the survey to members.

The Chair welcomed members to comment on the draft case studies provided in the discussion paper and the questions under agenda item 2. The department noted that the draft case studies are planned to be included in the final report as examples of how introducing a domestic organic standard will benefit industry and consumers. The key points raised were:

- A member suggested that a short summary be included above the case studies to provide an overview of the section.
- Members suggested that the case studies could be strengthened by including more figures and quantifiable information.
 - Some members noted that they have access to additional information or figures that could be used in the final report.
- A member recommended that more case studies be included to cover the potential positive impacts to export access and government resourcing.
- A member queried whether the department was able use OPC data in the final report.
 - The department clarified that due to legal restrictions, the department cannot use this data for purposes other than what it is collected for. The department does not own the data.
 - The department noted that if certification bodies provide the data to the group, then it could be used.
- Some members suggested that the final report include recommendations on how to improve the collection of OPC data.
 - Some members noted that including this could distract from the core objective of report and suggested that this could be examined in the next stage of industry consultation.

Outcome – Some certification bodies agreed to send OPC data to the group to inform the development of the final report.

The Chair welcomed comment from members on the 'Exemptions for small operators' questions under agenda item 3. The key points raised were:

- Some members were in favour of a certification exemption scheme for small producers, as long as they adhere to the National Standard.
- A majority of the group were opposed to a certification exemption scheme, noting it would undermine efforts to improve consumer confidence and supply chain integrity.
 - Members noted difficulties in determining an exemption threshold and other issues experienced in the US in their exemption program.
- Some members suggested that rather than introducing certification exemptions, certification bodies could introduce subsidised certification programs for small producers.

- Members noted that the new domestic regulatory framework could lead to more competition among certifying bodies, which could result in a reduction in certification fees.
- Members recommended a robust education program to assist small producers understand organic regulatory and certification requirements be implemented.
 - Some members noted that there are existing schemes across the Federal and State/ Territory governments to support consumer education and assist small producers become certified.
- A member suggested that there was a lack of information on small organic producers and farmer markets and that research was needed prior to making recommendations.
 - The department noted that should government agree to progress the reform, a Regulation Impact Statement (RIS) will be undertaken. Through the RIS process, the department will consult broadly across the organic sector, including with small producers.
 - Members suggested that the group focus on strengthening the final report.

Outcome – The group agreed that all operators who market or label their products as 'organic' or 'bio-dynamic' should be certified and that there should be no exemptions for small producers.

The Chair welcomed the department to update the group on timeframes to meet the 31 May deadline.

The department noted that it will send out a draft version of the final report by the end of the week to provide members with sufficient time to provide input. The department reiterated that it is the group's report and encouraged members to make amendments and changes directly to the report to reflect the group's position. The department will collate members' input into a revised final report for the group's endorsement at the meeting of 28 May 2021.

Outcome – The department agreed to circulate a draft final report to the group by the end of the week.

Outcome – Members agreed to update and refine the case studies and the report.

The Chair thanked members for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

28 May 2021 9:30am – 11:30am AEST

Meeting Summary

The Chair welcomed attendees and provided a summary of the key outcomes of the previous meeting. The Chair invited the department to provide an update on the status of the group and the deadline for providing a final report to Minister Littleproud.

The department advised there have been ongoing discussions with Minister Littleproud's office on the progress of the final report. Noting the need for the final report to be informed by the best evidence available, the Minister's Office has agreed to a short extension to enable the group to incorporate data from Australian Organic Limited's upcoming Market Report. The Chair welcome members to ask the department any questions on the extension. The key points raised were:

- Multiple members supported the extension to allow the group to update the report with the latest information on Australia's organics industry.
- Some members queried whether the extension would also allow the group to provide further data from other sources.
 - The department confirmed that this was not an open-ended extension but a short extension to allow for addition of data very close to its completion. They noted it would be difficult to undertake any in depth research in the timeframe.
- Multiple members requested that adequate time was provided to review the AOL Market Report information before final endorsement of the report.

Outcome - AOL agreed to provide a summary of the Market Report to the department prior to its release so it can be added to the final report and circulated when the Market Report is released to the public.

The Chair welcomed members to comment on the draft of the final report. The key points raised were:

- A member requested that the reference to Figure 1 in recommendation 4 is made clearer with the addition of the page location of the figure.
- A member suggested that the paragraph discussing the use of an organic certified logo does not accurately reflect the discussion had on the subject and should be changed to fairly discuss all possible logo options.
- A member noted that the 5 key benefits should match the headings above the case studies to provide consistency.
- Some members raised that the recommendations on levies and data collection could be difficult to implement and that they would like more information on how this would be done.
 - A member noted that currently the data provided by certifiers to the department is not in a consistent format and work would be required to set up and manage a central system for this data.
- A member raised that Australia's requirement to have one single certification system under WTO requirements could be a good point to include if it is accurate and requested the investigation of requirements under the WTO.
- A member suggested that some areas of the report, including which standard is being recommended as the basis for the domestic standard, could be investigated further now that there is an extension.
 - Another member noted that the report is close to completion and the extension is there to add in credible information which will strengthen the report, rather than undertake any further research or revisit older issues.

Outcome – The department agreed to amend the report with the groups comments and circulate a final draft once the information from the Market Report had been added.

The Chair thanked members for their input and closed the meeting.

Organics Industry Advisory Group (OIAG) - Videoconference

9 December 2021, 1:00pm-2:00pm (AEST)

Minutes

1. Welcome and Acknowledgement of Country

The OIAG Chair, Mr Paul Denny, welcomed Members, conducted an Acknowledgement of Country and a roll call.

A list of attendees and apologies are at [Attachment A](#).

Paul thanked Members for participating in the next phase of work, which is a key priority for the Minister for Agriculture and Northern Australia, the Hon David Littleproud MP.

2. Updated Terms of Reference

Paul tabled an updated Terms of Reference (ToRs), which had been sent to Members on 8 December 2021. Paul noted the ToRs reflect Government taking forward the next phase of work with the OIAG operating as a sounding board, and facilitating broad and open consultation.

Paul noted the department will aim to convene the OIAG monthly.

Members noted the OIAG ToRs had been amended to support broad and open consultation. No concerns raised about the content of the ToRs.

Outcomes: The Terms of Reference are considered agreed. Final Terms of Reference are at [Attachment B](#).

3. Update from DAWE

Paul advised that Minister Littleproud had considered the OIAG's earlier work and report, and consulted with his ministerial colleagues on next steps. The Government has now decided that more work is required, including a more detailed cost-benefit analysis, broader and deeper consultation, and a regulation impact statement process.

Cost Benefit Analysis (CBA)

Paul noted that the CBA will inform the RIS and will investigate:

- The 3 options previously considered (standalone legislation, food code, consumer law)
- Non-regulatory options (noting options are on a regulatory continuum).

The CBA will also seek to address limitations of the previous CBA such as lack of data.

Regulation Impact Statement (RIS)

Paul advised that the RIS will seek to address following questions, which are required under the Office of Best Practice Regulation's guidance:

1. What is the policy problem you are trying to solve?
2. Why is government action needed?
3. What policy options are you considering?
4. What is the likely net benefit of each option?
5. Who will you consult and how will you consult them?

6. What is the best option from those you have considered?
7. How will you implement and evaluate your chosen option?

The department expects a consultation RIS to be published in February next year, to be followed by a Decision RIS that is subject to Government consideration.

Timing and next steps

Paul advised that the department will undertake an open and broad consultation process shortly, focussed on:

- Answering the questions posed by the RIS
- Better understanding the sector
- Informing potential regulatory and non-regulatory reform options.

Paul noted that the department is not locked into any particular option and will be guided by the data and the work done through the RIS and the CBA. The department will seek assistance from OIAG members to use their networks, ensuring we understand the impacts, costs and benefits on all players – including small operators.

Public consultations are due to run until February/March 2022 and include business and consumer surveys, industry roundtables, and feedback on a consultation RIS.

Outcomes:

- OIAG members are asked to help facilitate the consultation process by tapping into their networks and memberships.

4. Public consultation

Paul confirmed that the department is taking a multi-pronged approach to addressing the data and information gaps, including:

- An initial survey focused on organic operators (both certified and uncertified, noting the latter were not captured in the desktop CBA)
- A range of industry roundtables and stakeholder consultations
- A consultation RIS

Sydney-based service provider KG2 will conduct the initial survey via 15-minute phone interviews across a sample size of 350 operators selected from their database. It will focus on collecting information on characteristics of the organics market, including market trends, volumes, percentile of commodity groups and market segments. It will also ask why some producers get certified while other don't, with results used to help calculate benefits and costs to industry.

s. 47F(1) from PricewaterhouseCoopers Australia (PwC) — the department's delivery partner for the CBA — presented on the consultation process. s.47F(1) noted the key objective is to inform a more fulsome CBA, using industry consultation to address gaps identified in the earlier desktop CBA (including by the OIAG).

s. 47F(1) noted PwC and the department had closely considered the OIAG's views on the earlier desktop CBA, and welcomed views from Members with additional concerns.

s. 47F(1) outlined the timeline for the consultation process which includes surveys to consumers, industry, and certifiers, along with seven roundtables with key stakeholders. s. 47F(1) also welcomed suggestions on any stakeholders to include, outlining key groupings identified by PwC.

Outcome:

- OIAG members are also asked to provide any data and evidence to help support the CBA and RIS processes, noting data can be de-identified, provided on a confidential basis and directly to PwC if requested.
- PwC will commence reaching out to Members directly, providing further information and guidance on how to get involved in the consultation process.

5. Member views and feedback

Members highlighted the importance of open, transparent and balanced dialogue to capture perspectives across the supply chain, including consumers and smaller operators.

There was a request to include importers in the consultation process. The department and PwC noted and agreed. Other Members suggested the work consider, and the department consult on transport, biosecurity, packaging and sustainability issues.

Members also questioned whether the department and PwC would consider how to value truth and integrity of labelling as part of the CBA. PwC highlighted the consumer survey that would be conducted.

Members also questioned the status of the earlier OIAG work and the recommendations that had already been put to government. Paul noted the findings of the earlier desktop CBA did not produce a positive net benefit for the OIAG's preferred option, so Government would need a stronger, more robust evidence base to support any interventions.

Members suggested the department consider international comparisons, and also asked which standard would be adopted as part of any option. The department noted the AS6000 and the National Standard for Organic and Bio-Dynamic Produce would be considered as part of the CBA and RIS process.

6. Next steps and action items

Paul thanked Members for their constructive participation and closed the meeting.

Outcomes/action items:

- The department will circulate meeting minutes.
- The department will send placeholders mid-January 2022 meeting.
- Members encouraged to provide data, contacts and feedback to the departmental team via the domesticfoodregulation@agriculture.gov.au email address.
- PwC will commence contacting Members on next steps for consultation.

Attachment A – Attendees and Apologies**Attendees:**

Chair: Paul Denny
Victoria Angove
Casie O'Brien
Jane Adams
Niki Ford
Sue Armstrong
Quentin Kennedy

Kelvin Free
Peter Hislop Speers
Pasquale Lazarro
Ryan Reynolds
Dr Gail Pearson
David Stout
Paul da Silva

Department officers

s. 22(1)(a)(ii)
s. 22(1)(a)(ii)

s. 22(1)(a)(ii)
s. 22(1)(a)(ii)

PricewaterhouseCoopers

s. 47F(1)
s. 47F(1)
s. 47F(1)

Apologies:

Rick McDougal
Ian King

Vanya Cullen
Marg Will

Attachment B – Terms of Reference

ORGANICS INDUSTRY ADVISORY GROUP TERMS OF REFERENCE

Purpose

The Organics Industry Advisory Group (OIAG) has been re-convened for a third phase to assist the Department of Agriculture, Water and the Environment (the department) consider the impact of regulatory and non-regulatory options for a domestic framework in the production and labelling of organic goods.

The department will progress a:

- consultation Regulatory Impact Statement (RIS) to seek views from across the organics supply chain;
- full cost-benefit analysis; and
- decision RIS for consideration by Government.

The OIAG will operate alongside other consultation mechanisms, reflecting the department's commitment to open and broad consultation.

Matters for discussion and advice

The discussions of the OIAG will cover:

- Whether proposed regulatory and non-regulatory options would be fit-for-purpose.
- If the proposed regulatory and non-regulatory frameworks are not fit-for-purpose, what would a fit-for-purpose framework look like?
- How would the proposed regulatory and non-regulatory frameworks support industry development?
- What would the costs and benefits of any regulatory and non-regulatory frameworks be to industry, including small businesses, and consumers?

The OIAG will be consulted on the above issues along with other stakeholders. The OIAG will also assist the Department undertake consultation processes, including through their members or constituents, through to 30 June 2022.

The OIAG may be engaged over a longer timeframe (if required) to further inform the cost-benefit analysis and/or Regulatory Impact Statement (RIS) on implementing a mandatory standard (if required).

General terms

- The Assistant Secretary of Food and Supply Chains Branch will chair the OIAG.
- The department will provide secretariat support for the OIAG, including circulating papers to the OIAG with sufficient time for consideration.
- The OIAG will convene as required between December 2021 – June 2022.

- At the relevant time, the department will seek and provide advice on the impacts of the ‘caretaker’ period, including how the ‘Guidance on Caretaker Conventions’ will impact the work of the OIAG and on the policy development process.
- The OIAG will:
 - not be a decision-making body; and
 - will meet virtually to share ideas and provide advice.

Expectations of members

Members of the OIAG are expected to:

- Consider papers circulated prior to each OIAG meeting and come prepared to participate in the discussions, including providing data or evidence to support assertions if required.
- Treat everyone with respect and courtesy, and behave with honesty and integrity during the OIAG discussions.
- Act with care and diligence in connection with their membership on the OIAG.
- Where a potential, apparent or actual conflict of interest arises in relation to the OIAG, members must declare the conflict to the Chair.

Members may discuss matters under consideration by the OIAG with others outside the OIAG (e.g. others in the organisation they represent, or their members) in order to inform OIAG discussions.

Organics Industry Advisory Group (OIAG) - Videoconference

18 January 2022, 2:00pm-3:30pm (AEDT)

Minutes

1. Welcome and Acknowledgement of Country

The OIAG Chair, Mr Paul Denny, welcomed Members, conducted an Acknowledgement of Country and introductions.

A list of attendees and apologies are at [Attachment A](#).

Paul thanked Members for participating and tabled the meeting minutes from the last meeting, which the Members adopted without change.

Outcomes: The previous meeting minutes were adopted.

2. Update on public consultations

KG2 phone survey

Paul provided an update on the phone survey being conducted by data services provider KG2. The survey is nearing completion and the final report should be finalised within a couple of weeks, after which a more detailed summary will be provided.

As of 11 January 2022, KG2 had over 350 responses across certified and uncertified operators as well as a smaller quantum of processors, suppliers, and manufacturers.

KG2 also had over 200 responses from non-organic operators, with insights on whether those respondents considered going organic and why they chose not to.

Paul noted early observations included:

- In general, it was more expensive to be an organic producer than an non-organic producer
- It was more time-consuming to be an organic producer, so labour was a significant business cost.
- Organic producers also tended to double or triple as retailers, processors and wholesalers.
- A general perception that a lot of producers falsely advertised as organic.

Online business and consumer surveys

Industry roundtables

Pricewaterhouse Coopers (PwC) noted they are in the middle of the consultation process with online consumer and producer surveys live and two roundtables complete. PwC is aiming to triangulate views from consumers, industry, plus the KG2 data to understand as many perspectives as possible ahead of economic modelling for the cost-benefit analysis. Preliminary results align with previous assumptions, noting a more thorough update will be available at the next meeting.

PwC advised the consumer survey has over 1000 responses, providing a representative sample of the Australian adult population. PwC noted that the key task right now is to promote the business survey and committed to reshare the link with members.

Members asked if there were any information tools or resources to make the survey more engaging. The department agreed to provide supporting communications materials for members to distribute and to consider the feedback on the communications approach.

Members asked if findings showed cases of people buying organic only to find they were misled. PwC indicated that findings are preliminary and would be supplemented by feedback from the ACCC.

Members raised concerns around broader industry engagement, noting non-organic businesses may not be positioned to provide quality insights if their understanding of organics is limited. PwC noted that non-organic participants can complement discussions with the organics industry and that they are able to filter responses to discern if there is a difference between people with or without organic knowledge. PwC will consider including links to further information in the business survey.

Outcomes:

- The department to share link to business survey with Members.
- The department to consider feedback on making materials more engaging and share social media posts, suggested text, and images for Members to use when promoting the survey.

3. Update on Cost Benefit Analysis and Regulation Impact Statement

Cost Benefit Analysis (CBA)

PwC noted that most of their focus for the CBA is currently on consultations but there is work happening in the background. PwC is also examining viable non-regulatory options which could be considered in the CBA, in line with Office of Best Practice Regulation requirements.

Members asked if a list of roundtable attendees could be circulated.

Regulation Impact Statement (RIS)

Paul advised the department is continuing with RIS preparation and expects a Consultation RIS to be published in mid-February, to be followed by a Decision RIS that is subject to Government consideration.

Outcomes:

- The department to provide list of stakeholders who have been contacted to participate in the consultation process.

4. Member views and feedback

Paul opened the floor for discussions including seeking views on non-regulatory options.

Members noted that suppliers and customers seek out certification and it is a vital component of being able to operate in the organics industry. This is reinforced in the exports space where countries will not agree on equivalence arrangements without a mandatory domestic standard in place. Members agreed that a mandatory domestic standard would reduce red tape for exports as it would remove the burden of having to be certified to each individual country's arrangement.

Members noted that there is a risk to the export market if an uncertified component gets into the organic supply chain, and that a mandatory certification could reduce this risk. Members also noted that on top of the cost burden, there is also an opportunity cost of not being able to meet export demand.

Members discussed that a mandatory standard is also important from an imports perspective as many products are currently imported from overseas as organic certified but these cannot be verified.

Members noted there is a lack of awareness around what is required to be a certified organic farmer and education should accompany any policy work to help both producers and consumers understand organic. They also discussed the need for a lead time to allow people to be compliant.

Members highlighted that the standard would need to be defensible in the courts. Anything less robust could put retailers and manufacturers at risk.

Members noted the complexity of trying to calculate the costs and benefits of each option as there are many factors to be considered, including work done to date on the process and establishing the national standard, and any risk to international negotiations.

Members noted there has been much discussion to date and participants need to be aware of previous work in this space. It was suggested that the original OIAG report be re-circulated.

Paul thanked Members for their contributions and reiterated that this phase of work was to build upon what was done previously and address gaps identified in the original report.

Outcome:

- The department to circulate the OIAG final report.

5. Next steps and action items

Paul thanked Members for their constructive participation and closed the meeting.

Outcomes/action items:

- The department will:
 - re-share survey link, with Members encouraged to promote participation with their contacts;
 - develop additional communication materials to accompany survey link for members to distribute;
 - consider feedback on making the communications materials more engaging;
 - provide a list of stakeholders who have been contacted to participate in the consultation process;
 - re-circulate the OIAG final report; and
 - send placeholders for mid-February 2022 meeting.
- Members are encouraged to provide feedback, particularly on communications channels, via domesticfoodregulation@agriculture.gov.au.
- Members encouraged to provide data and evidence to PwC team via

Attachment A – Attendees and Apologies**Attendees:**

Chair: Paul Denny
 Victoria Angove
 Casie O'Brien
 Jane Adams
 Niki Ford
 Sue Armstrong
 Quentin Kennedy
 Kelvin Free
 Peter Hislop Speers

Ryan Reynolds
 Dr Gail Pearson
 David Stout
 Paul da Silva
 Ian King
 Marg Will

Department officers

s. 22(1)(a)(ii)
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s. 22(1)(a)(ii)
 s. 22(1)(a)(ii)

PricewaterhouseCoopers

s. 47F(1)
 s. 47F(1)
 s. 47F(1)
 s. 47F(1)

Apologies:

Rick McDougal
 Pasquale Lazarro

Vanya Cullen

Organics Industry Advisory Group (OIAG) - Videoconference

21 February 2022, 1:00pm-2:30pm (AEDT)

Minutes

1. Welcome and Acknowledgement of Country

The OIAG Chair, Mr Paul Denny, welcomed Members, conducted an Acknowledgement of Country and roll call.

A list of attendees and apologies are at [Attachment A](#).

Paul thanked Members for participating and tabled the meeting minutes from the last meeting, which the Members adopted without change.

Outcomes: The previous meeting minutes were adopted.

2. Update on public consultations

Paul advised that the organic consultation regulation impact statement (RIS) went live on Friday 18 February 2022 and will be open for submissions until COB 17 March 2022, with Members encouraged to participate and share the consultation with their networks.

Options canvassed in the RIS include the status quo, non-regulatory approaches, and the introduction of a mandatory domestic standard via standalone Commonwealth legislation. Paul noted two implementation options (via an Information Standard via the Australian Consumer Law; and through the Australia New Zealand Food Standards Code) were removed from the consultation RIS.

Paul noted the first tranche of data collection and stakeholder consultations was complete, with thanks to those who participated and promoted engagement.

Paul provided a snapshot of work to date, including:

- an online business survey with over 100 responses
- a targeted phone survey of producers and processors with over 500 respondents
- an online consumer survey with over 1,000 responses
- a range of industry roundtables and one-on-one meetings.

The department is still working through findings, but early observations include:

- consumer confusion with current settings,
- perception that some engage in false and misleading claims,
- business concerns around limited market access,
- overall preference a mandatory domestic standard via standalone legislation.

Paul agreed to provide further information on consultation methodologies by email.

Outcomes:

- The department to share further information on consultation methodologies by email.

3. Discussion on policy parameters

PwC opened the floor for discussions on key policy questions regarding a potential mandatory domestic organic standard, namely:

- Definition / Standard to be implemented

- Text of standard?
- Management of standard?
- Branding / Logo
- Certification process
- Scope
 - Application to what products?
 - Application to what businesses?
 - Exemptions?

Members discussed the benefits of the National Standard, including the current level of domestic uptake, management by government, and perceived transparency / access compared to Standards Australia.

Some Members noted the benefits of the AS 6000, including the advantages of Standards Australia processes, connections with ISO international standards, and the ability for consumers to understand the content. Other Members also raised concerns with this option, including the need for a transition process and Standards Australia's status as a private organisation.

There was agreement that both standards came with costs, would require updates, and would need to align with the following principles to achieve desired benefits:

- Accessibility
- Clear and easy to understand for consumers
- Recognised internationally, and expand trade and market access
- Legally defensible
- Modern and up to date

Members discussed the role of branding, noting there is existing consumer recognition with certifier marks such as the 'bud' logo. Members noted while a single, government-backed brand may bring consumer and trade benefits, it would need to offer commercial benefits to operators and would come with additional costs around education and maintenance.

PwC thanked Members for their contributions, inviting any further input by email and through submissions on the consultation RIS.

Outcomes:

- Members to provide further feedback by email (PwC: au_domestic_organics@pwc.com; DAWE: domesticfoodregulation@agriculture.gov.au) and through the RIS process.

4. Wrap up

Paul thanked Members for their constructive participation and closed the meeting.

Outcomes/action items:

- The department will:
 - share further information on consultation methodologies by email;
 - share communication materials to accompany RIS link for members to distribute; and
 - send placeholders for the next meeting.
- Members are encouraged to make submissions on the consultation RIS and promote engagement amongst their networks.

Attachment A – Attendees and Apologies**Attendees:**

Chair: Paul Denny
 Victoria Angove
 Casie O'Brien
 Rick McDougal
 Pasquale Lazarro
 Niki Ford
 Sue Armstrong
 Quentin Kennedy
 Kelvin Free

Peter Hislop Speers
 Ryan Reynolds
 Dr Gail Pearson
 David Stout
 Paul da Silva
 Ian King

Department officers

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 s. 22(1)(a)(ii)
 s. 22(1)(a)(ii)

PricewaterhouseCoopers

s. 47F(1)
 s. 47F(1)
 s. 47F(1)
 s. 47F(1)
 s. 47F(1)

Apologies:

Jane Adams
 Vanya Cullen
 Marg Will