Response to the Cost Recovery Implementation Statement (CRIS)

Submission to the Department of Agriculture, Fisheries and Forestry

3 March 2023

Voice of Australia's organic industry

Organic Operators Australia

Organic Operators Australia is the unified voice for Australia's organic industry to negotiate policy reforms with Governments and that helps the industry to capitalise on the growing global demand for organic products.

The objectives of OIA Ltd are to:

- facilitate an organic industry which has an authoritative voice that enhances the fortunes of all Australian certified organic operators, through advocacy, education and transparent representation
- improve the competitiveness of certified organic operators through effective advocacy to governments, with industry stakeholders, and in respect of research and development
- promote the integrity of certified organic productions systems
- promote industry development and educate producers and consumers in respect of certified organic production
- facilitate collaboration across supply chains and improve domestic and export market access for certified organic operators
- promote widespread 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

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This submission was prepared using publicly available information from DAFF (including the Deloitte March 2021 and PwC March 2022 cost-benefit analyses), Standards Australia, CFIA, CGSB, IFOAM (including the IFOAM Family of Standards, COROS, and the Organic Regulation Toolkit), the Department of Finance (Australian Government Charging Framework), FAO/UNCTAD (ITF publications on Harmonisation and Equivalence in Organic Agriculture), IOAS, DCCEEW, the Climate Change Authority, CSIRO, and relevant legislation as cited. OOA has endeavoured to ensure accuracy and welcomes correction of any factual matters.

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Recommendations

The CRIS cost base

1. Accept the proposed cost increments on organic certifiers within the current CRIS projections ($8,000 increasing to $9,480 by 2028, see Section 1.1, Escalating certifier fees); recover costs of certifier compliance audits from organic certifiers within these projections; and introduce no new fees to the organic sector during the implementation period.

2. Limit any additional cost recovery on the organic sector within the implementation period (2026–2028). DAFF-commissioned cost-benefit analyses—*Cost benefit analysis for the implementation of a mandatory domestic organic standard* (Deloitte, March 2021) and *Cost benefit analysis of a new regulatory approach for domestic organics* (PwC, March 2022)—found that additional regulatory costs on the organic sector would be significant and would likely be passed through the supply chain. The government's decision in March 2023 not to proceed with domestic regulation was based on these findings. Full cost recovery of existing services would impose cost burdens that would exceed the benefits—particularly for smaller operators, for whom including the cost of compliance outweighs the benefits (see Section 4.2).

3. Recognise that the primary transferable cost burden sits in standard administration and National Standard Advisory Committee (NSAC) management—functions that can transition to Standards Australia. Systems-level compliance auditing of Approved Certifying Bodies (ACBs) overlaps with accreditation body assessment and can be rationalised. Function auditing (witness audits, operator reviews) and OGC management oversight are sovereign Competent Authority functions that must remain with DAFF (see Section 2.2(c)).

4. Provide the functional cost breakdown of the Export Organic team, disaggregated by function, to enable industry assessment of cost efficiency and identification of transferable functions (see Section 1.1, Functional breakdown). OOA further requests that DAFF disclose the overhead allocation methodology applied to the organic program under the CRIS, including the cost driver used for apportionment, to enable industry to assess the full cost reduction from the structural reform and multilateral pathway proposals (see Section 2.8, Reduced shared overhead allocation).

5. Commit to a structural reform timeline aligned with the CRIS implementation period (2026–2028), encompassing the consolidation of the National Standard into AS 6000, the transfer of standard administration to Standards Australia, the rationalisation of the systems-level compliance audit, and program efficiency measures (see Section 2.2). Transitional considerations support this timeline (see Section 2.7). OOA commits to submitting a formal proposal for the ongoing co-regulatory governance of the organic standard to DAFF by no later than early-2028, to formalise the arrangements implemented during the structural reform period.

6. Extend the consultation period and commit to ongoing engagement with industry on implementation timing and methodology (see Section 4.1).

Structural reform enabling cost reduction

7. Confirm DAFF's role in providing: Competent Authority functions—the government body recognised by trading partners as having regulatory authority over organic certification and export—including function auditing of certifying bodies (witness audits, operator reviews), Organic Goods Certificate (OGC) management oversight, biosecurity and phytosanitary oversight, export certification issuance, and negotiation and maintenance of bilateral organic equivalency arrangements with trading partners (see Section 2.5).

8. Adopt a Canadian+ model of structural separation: Facilitate the consolidation of the National Standard and AS 6000 into a single AS 6000, with ownership resting with Standards Australia and given regulatory force through incorporation by reference into the *Export Control (Organic Goods) Rules 2021* (see Section 2.2(b)). This model is validated by the Canadian CFIA/CGSB precedent, where the regulator maintains full equivalency with all major markets while a standards body manages the technical standard (see Section 2.1(a)). The "+" denotes an extension through a multilateral equivalence pathway via IFOAM Common Objectives and Requirements of Organic Standards (COROS) alignment, reducing per-market negotiation costs (see Section 2.1(b)). The only legislative change required for the structural reform is the amendment to the Rules to reference AS 6000 in place of the National Standard.

9. Support the AS 6000 consolidation proposed in Recommendation 8**:** Communicate technical requirements to Standards Australia by participating in the AS 6000 Standards Australia committee in an advisory capacity and ensuring the consolidated standard supports equivalency with all current and prospective trading partners (see Section 2.5(g)). OOA requests that DAFF provide all trading partner communications specifying requirements for Competent Authority standard ownership, to enable informed assessment of the structural separation proposal (see Section 2.1(a)).

10. Pursue multilateral equivalence recognition: Support OOA's engagement with IFOAM—Organics International to have the consolidated AS 6000 (incorporated by reference into the *Export Control (Organic Goods) Rules 2021*) assessed against COROS for inclusion in the IFOAM Family of Standards—the only existing global program for multilateral equivalence of organic standards and technical regulations. Inclusion provides a multilateral platform for equivalence recognition by current and prospective trading partners, reducing Australia's reliance on resource-intensive bilateral negotiations for each market (see Section 2.1(b)). OOA requests that DAFF provide technical input into the COROS alignment process.

11. Redirect resources toward US/Canada equivalency: Reallocate savings from transferred administrative functions toward negotiating equivalency arrangements (see Section 2.2(d)) to replace the costly conformity model currently imposed on Australian operators (see Section 2.3).

12. Expand the Manual of Importing Country Requirements (MICoR) by documenting organic protocols for non-equivalence markets, and ensure clear cross-referencing between organic integrity requirements and mandatory biosecurity treatments so that technical market access requirements are harmonised. As the multilateral equivalence pathway proposed in Recommendation 10 reduces the number of non-equivalence markets requiring detailed bilateral documentation, the scope of this function narrows over time (see Section 2.2(d)).

Minister's discretion and broader policy

13. Include the biodiversity and environmental service value of organic certification as a policy consideration in setting the level of cost recovery, per the Minister's discretion under the *Australian Government Charging Framework*: charging policy may take account of broader government objectives. Over 2.65 million hectares of certified organic land is dedicated to biodiversity under the 5% set-aside requirement (National Standard; AS 6000), representing a replacement cost of approximately **$273 million annually** based on the NSW Biodiversity Conservation Trust's median conservation agreement payments. Over 3,000 organic operators deliver this audited environmental protection at a cost to the taxpayer of **less than $2 million annually**—compared with the Agriculture Stewardship Package's allocation of **$32.1 million** to trial a biodiversity certification scheme for 140 farmers, designed to incentivise biodiversity management that certified organic producers already deliver. The organic sector also avoids the environmental remediation and health costs that the CSIRO and One Basin CRC report, *Towards a state of the food system report for Australia (2025)*, attributed to conventional agricultural inputs at up to **$274 billion annually** for the food system as a whole. OOA proposes that the organic sector's contribution be reflected in the determination of cost recovery levels, whether through the cost allocation methodology or through the Minister's exercise of discretion under the *Australian Government Charging Framework* (see Section 3.3).

14. Engage with OOA to establish the proposed model of an organic R&D component within existing commodity levy instruments, with the R&D component for certified organic products directed to a dedicated Organic Program within AgriFutures Australia (see Section 3.2). The methodology and mechanisms are detailed in OOA's paper to DAFF *Proposal for Organic R&D Levy Components and an AgriFutures Organic Program*.

Cost impact summary

The following tables summarise the effect of OOA's proposals on DAFF's Export Organic program cost base. The detailed analysis supporting each line (see Section 2.8) is followed by expanded summary tables (see pages 31–32). The residual cost base—the five retained functions—represents the efficient cost of sovereign Competent Authority activities. The multilateral pathway (Recommendation 10) moderates the per-market cost of bilateral equivalency negotiation within this base. This is the cost base that the CRIS should recover.

Table 1: Permanently removed costs

Cost category	Effect on DAFF cost base	Driven by
Standard drafting and revision	Removed—transfers to Standards Australia	Structural reform (Recs 5, 8)
NSAC / advisory committee administration	Removed—transfers to Standards Australia	Structural reform (Recs 5, 8)
Standard interpretation and query management	Removed—transfers with standard ownership	Structural reform (Recs 5, 8)
Change management and stakeholder communication	Removed—volatile cost eliminated	Structural reform (Recs 5, 8)

Table 2: Reduced costs

Cost category	Effect on DAFF cost Base	Driven by
Program management and incident cost efficiency	Reduced—automation of OGC issuance; incident cost reallocation to non-compliant entities	Structural reform (Rec 5)
Systems-level compliance auditing of certifiers	Reduced—rationalised against existing accreditation body assessment	Structural reform (Recs 3, 5)
Certifier crisis management events	Reduced—frequency and severity of events	Structural reform (Recs 3, 5)
Per-market cost of bilateral equivalency negotiation	Reduced per existing and new arrangement	Multilateral pathway (Rec 10)
Trading partner annual reporting	Reduced—single multilateral review replaces multiple bilateral reports	Multilateral pathway (Rec 10)
International forum representation	Reduced—standing international recognition decreases representational burden	Multilateral pathway (Rec 10)
Cost escalation from new bilateral arrangements	Future cost growth moderated	Multilateral pathway (Rec 10)

Table 3: Flow-on savings

Cost category	Effect on DAFF cost base	Driven by
Shared departmental overhead allocation	Reduces proportionately as direct costs above are removed or reduced	Recs 3, 5, 8 and 10
FTE redeployment value	Released capacity redeployable to other DAFF programs	Recs 3, 5, 8 and 10

Table 4: Retained costs—Sovereign Competent Authority functions

Cost Category	Effect on DAFF Cost Base	Driven By
Function auditing (witness audits, operator reviews)	No change—remains with DAFF	Rec 7
OGC management oversight	No change—remains with DAFF	Rec 7
Export certification issuance	No change—remains with DAFF	Rec 7
Bilateral equivalency negotiation and maintenance	Remains with DAFF—per-market cost reduced by multilateral pathway	Recs 7, 10
Regulatory enforcement and sanctions	No change—remains with DAFF	Rec 7

Scope of the CRIS

OOA notes that the CRIS encompasses the whole of DAFF's cost recovery framework, as confirmed in the departmental briefing of February 2026. OOA's submission addresses the organic-specific component within that framework.

The cost base the CRIS proposes to recover includes the full operating costs of the Export Organic team—encompassing National Standard administration, the National Standard Advisory Committee (NSAC), standard interpretation and query management, change management and stakeholder communication, certifier oversight (both systems-level compliance auditing and function auditing), market development, and export certification issuance (see Section 1.1, Functional breakdown). This confirms that the CRIS recovers the cost of the full program, not merely the marginal cost of issuing export certificates.

Under a whole-of-DAFF CRIS, the organic sector may also be allocated a share of departmental overhead costs (corporate services, IT, legal, policy coordination). OOA requests that DAFF disclose the cost allocation methodology—specifically, how shared departmental overhead will be allocated across commodity sectors, and what nexus test will be applied to ensure charges are proportionate to services received. The *Australian Government Charging Framework* (Department of Finance, 2023) requires that cost allocation be proportionate and based on a clear nexus between the charge and the activity. Financial estimates are expected to be based on efficient costs, which are defined as the minimum costs necessary to provide the activity while achieving the policy outcomes and legislative functions of the Government (see Section 2.8, Overhead cost allocation methodology).

OOA is concerned that during the broader agricultural sector consultation, other industry participants may argue that organic-specific services should be fully funded by the organic sector alone. OOA's position is that efficiency gains and structural reform must accompany cost recovery, and that the organic sector's contribution to public benefits (biodiversity, emissions reduction) should be recognised as an offset (see Section 3.3).

This has two critical implications:

First, how the standard is administered is within scope of the CRIS consultation. If industry is being asked to pay for standard administration, it is entitled to question whether that administration is efficiently structured. The *Australian Government Charging Framework* requires that cost recovery arrangements be subject to "appropriate consultation" and recover only "efficient costs." Industry scrutiny of the full cost base is not merely permitted—it is required by the Framework (see Part 1 and Part 2).

Second, OOA's proposals regarding related reform (including the Polluter Pays arguments advanced in OOA's companion submissions to the APVMA and OGTR) are relevant to the extent that they address costs currently embedded in the organic program that arise from externalities created by other industries. The scope of activities recovered from the organic sector should be narrowed to exclude costs arising from these cross-portfolio risks. Whether such costs are embedded in the organic program cost base cannot be determined without the requested functional cost breakdown (see Section 1.1, Functional breakdown). Upon receipt of that breakdown, OOA will identify any externality-related costs for exclusion from the organic program's recoverable cost base.

Executive summary

Organic Operators Australia (OOA) provides this response to the Department of Agriculture, Fisheries and Forestry (DAFF) regarding the proposed Cost Recovery Implementation Statement (CRIS) for the 2026–27 financial year, effective October 2026. The CRIS encompasses the whole of DAFF's cost recovery framework and OOA's submission addresses the organic-specific component within that framework.

OOA acknowledges the fiscal imperative to transition toward cost-recovered funding models. However, DAFF-commissioned analyses have established that additional regulatory costs on the organic sector would be significant and would likely be passed through the supply chain. The *Cost benefit analysis for the implementation of a mandatory domestic organic standard* (Deloitte, March 2021) and the *Cost benefit analysis of a new regulatory approach for domestic organics* (PwC, March 2022) found that the costs of regulatory schemes affecting the organic sector outweigh the benefits. The government's decision in March 2023 not to proceed with domestic regulation was based on these findings. The same economic constraints apply to escalating export cost recovery charges.

OOA submits that organic production is not the outlier in Australia's agricultural system requiring special regulatory treatment. It is non-organic production that generates the environmental and human health externalities requiring regulatory management and remediation. The CSIRO and One Basin CRC report, *Towards a state of the food system report for Australia (2025)*, found that Australia's food system incurs up to **$274 billion annually in hidden costs**, primarily driven by environmental degradation and diet-related health impacts **from conventional agricultural inputs**. OOA raises this as policy context relevant to the Minister's consideration of whether full cost recovery is appropriate for the organic sector (Recommendation 13**)**, not as an input to the CRIS cost allocation methodology.

Organic production systems actively mitigate these costs. OOA addresses the fiscal implications of these externalities—including agricultural and veterinary chemical contamination, gene technology risks, and carbon sequestration benefits—in its companion submissions to the APVMA and the OGTR, directed to the Ministers with portfolio responsibility for those regulatory bodies. A cost recovery framework that imposes additional charges on the sector that avoids these externalities, while the sectors generating them are not required to fully internalise their costs, is misaligned with sound regulatory policy.

This submission advances the following principal propositions:

Cost recovery and structural reform

The following propositions are directed to the CRIS cost base and the efficient cost requirement of the *Australian Government Charging Framework*:

First: Administrative functions currently performed by DAFF in relation to the National Standard for Organic and Bio-Dynamic Produce should transition to industry co-regulation under the Standards Australia framework. The National Standard and AS 6000:2015 would be consolidated into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products), with DAFF retaining a Competent Authority role focused on function auditing of certifying bodies, negotiation and

maintenance of bilateral organic equivalency arrangements, biosecurity, phytosanitary provisions, and export certification. This model is validated by the Canadian precedent, where the Canadian Food Inspection Agency (CFIA) maintains full equivalency with all major markets while the Canadian General Standards Board (CGSB) develops and manages the national organic standard (see Section 2.1(a)).

OOA's proposal extends beyond the Canadian model by incorporating a multilateral equivalence pathway through the IFOAM Family of Standards—a framework with intergovernmental provenance through FAO and UNCTAD, against which the US, EU, Japan, and South Korea have already had their government regulations assessed—reducing the per-market cost of bilateral equivalency negotiation—a Competent Authority function that remains with DAFF. Australia's import requirements for organic and biodynamic products are already included in the IFOAM Family of Standards, confirming existing Australian government engagement with the COROS framework; OOA's proposal extends this recognition to the export standard (see Section 2.1(b)).

Second: The systems-level compliance auditing of Approved Certifying Bodies (ACBs) overlaps substantially with accreditation body assessment under ISO/IEC 17065 and should be rationalised to eliminate the overlap. DAFF's function auditing (witness audits, operator reviews) and OGC management oversight are distinct Competent Authority functions that must be retained (see Section 2.2(c)).

Third: The structural reforms proposed in this submission—standard consolidation, function transfer, and audit rationalisation—should proceed within the CRIS implementation period (2026–2028). OOA commits to submitting a formal proposal for the ongoing co-regulatory governance of the organic standard to DAFF by no later than early-2028, formalising the arrangements implemented during the structural reform period (see Recommendation 5 and Section 2.7).

Broader policy context

The following propositions are directed to the Minister's discretion under the *Australian Government Charging Framework*, which provides that charging policy may take account of broader government objectives. They are relevant to the determination of whether full cost recovery is appropriate for the organic sector but are not proposed as inputs to the CRIS cost allocation methodology:

One: Pollution and contamination costs arising from gene technology and agricultural and veterinary (AgVet) chemicals should be fully recovered from the entities that create the risk, with mandatory remediation funds established to address retrospective and future environmental harm. OOA addresses this in detail in its separate APVMA feedback document on CRIS implementation and its separate submission to OGTR via OGTR's current consultation round. To the extent that costs arising from externalities are embedded in the organic program cost base and recovered from organic operators, the scope of activities recovered from the organic sector should be narrowed to exclude these cross-portfolio risks. OOA is unable to identify the specific cost categories affected without the functional cost breakdown requested in Recommendation 4**;** upon receipt, OOA will identify any externality-related costs for exclusion from the organic program's recoverable cost base.

Two: The carbon sequestration and greenhouse gas mitigation benefits inherent in organic production systems represent a material contribution to Australia's legislated emissions reduction targets. OOA addresses this in detail in its separate APVMA and OGTR submissions.

Three: The organic sector delivers over 2.65 million hectares of audited biodiversity protection under the 5% set-aside requirement of organic certification (National Standard; AS 6000), representing a replacement cost of approximately $273 million annually. Over 3,000 organic operators deliver this audited environmental protection at a cost to the taxpayer of less than $2 million annually, compared with the cost of the Agriculture Stewardship Package of $32.1 million, designed to incentivise biodiversity management that certified organic producers already deliver (see Section 3.3).

Under the *Global Biodiversity Framework,* Australia has committed to protecting 30% of its land by 2030. The organic sector's self-funded biodiversity areas constitute natural infrastructure supporting pollination, water filtration, and pest control for the broader agricultural landscape. OOA proposes that this contribution be reflected in the determination of cost recovery levels, whether through the cost allocation methodology or through the Minister's exercise of discretion under the *Australian Government Charging Framework*.

In addition to the structural reform of DAFF's cost base, OOA's broader strategy includes the establishment of industry-funded mechanisms for organic R&D and services (see Part 3).

Four: Existing services to organic agriculture should transition to industry and/or co-regulatory delivery. An organic R&D component should be established within existing commodity levy instruments, to be collected at the narrowest point in the supply chain, with the R&D component for certified organic products directed to a dedicated Organic Program within AgriFutures Australia (see Section 3.2). The Organic Program would fund organic-specific research, development, and extension, as well as defined industry services including technical input into standards development, certification integrity monitoring, biosecurity preparedness, and data collection.

Certified organic products subject to the organic R&D component would be exempt from the standard R&D component of the applicable commodity levy. Organic producers' levy contributions effectively fund R&D for non-organic competitors—research into synthetic input optimisation, chemical pest management, and technologies prohibited under organic standards. This structural deficiency was quantified over two decades ago in the RIRDC report *Organic Agriculture in Australia – Levies and Expenditure*, which found that total R&D expenditure on organic agriculture in Australia fell well short of the $656,200 collected from organic farmers in levies and Commonwealth matching contributions in 2000–01 alone (see Section 3.1). The methodology and mechanisms required to establish this framework are detailed in OOA's paper to DAFF *Proposal for Organic R&D Levy Components and an AgriFutures Organic Program* (see Section 3.2).

OOA accordingly requests that DAFF engage with OOA to transition services to industry provision and agree a transition schedule to consolidate the National Standard and AS 6000 into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products).

Part 1: Structural reform

The case for structural reform

Data provided during consultation indicates that 75% of the Department's recoverable expenses are attributable to government employee wages. Under the proposed CRIS, the organic sector faces cost escalations which may not necessarily be accompanied by an increase in service value.

The *Australian Government Charging Framework* requires that charges recover only the "efficient costs" of regulatory activities. OOA submits that structural reform should proceed concurrently with cost recovery implementation. OOA notes that the CRIS is now underway and does not propose that it be delayed. However, the Framework requires that cost recovery be based on efficient costs, and OOA submits that the current structure may be less efficient than comparable international models when measured against the Canadian comparator (see Part 2).

OOA acknowledges that regulatory oversight, particularly the negotiation of international treaties and function auditing of certifying bodies (witness audits, operator reviews), is inherently labour-intensive and requires specialised technical staff. A high wage-to-expense ratio is not in itself evidence of inefficiency. However, OOA submits that the combination of standard administration, systems-level compliance auditing, function auditing, and regulatory enforcement within a single departmental unit warrants examination against the Canadian model, where these functions are distributed across separate institutions with demonstrated efficiency gains.

The reforms proposed in this submission do not merely reduce the charges recovered from the organic sector. They reduce DAFF's own operating expenditure on the Export Organic program. If standard administration and NSAC management transfer to Standards Australia, DAFF does not employ the FTE to perform those functions. If systems-level compliance auditing is rationalised against accreditation body assessment, the overlap is eliminated. If the multilateral equivalence pathway reduces the bilateral negotiation burden, DAFF does not allocate FTE to negotiations that the multilateral framework has made unnecessary. In a whole-of-DAFF CRIS environment where the Department faces fiscal pressure across all program areas, the redeployment of Export Organic team resources to other departmental priorities—or the reduction in the Department's total wage bill—represents a direct benefit to DAFF, independent of the benefit to the organic sector from lower charges. The FTE capacity released represents re-deployable capacity that can be directed to other departmental priorities—including biosecurity surge response, new commodity market access negotiations, or compliance programs across other regulated sectors—without requiring additional appropriation.

The structural reform proposed in Recommendation 8 enables DAFF to focus the Export Organic program on its sovereign Competent Authority functions—the functions that only DAFF can perform—while administrative functions that can be delivered through Standards Australia's established processes transfer with the standard. OOA's proposed approach establishes a three-tiered international architecture: Standards Australia's methodology (conforming to ISO/IEC Guide 59 and consistent with WTO Technical Barriers to Trade Agreement obligations) provides procedural legitimacy; Approved Certifying Bodies (ACBs) accredited to ISO/IEC 17065 provide the conformity

assessment infrastructure that trading partners require; and the consolidated AS 6000, developed with COROS alignment and submitted for inclusion in the IFOAM Family of Standards, provides a multilateral equivalence platform that complements bilateral arrangements. The multilateral pathway and its cost recovery implications are detailed in Section 2.1(b).

Functional breakdown

OOA requests that DAFF provide a functional breakdown of the Export Organic Team cost base, disaggregated by:

- Hours/FTE spent on National Standard drafting and revision
- Hours/FTE spent on NSAC administration
- Hours/FTE spent on standard interpretation and query management
- Hours/FTE spent on change management and stakeholder communication
- Hours/FTE spent on systems-level compliance auditing of certifying bodies
- Hours/FTE spent on function auditing (witness audits, operator reviews)
- Hours/FTE spent on OGC management oversight
- Hours/FTE spent on equivalency negotiation and maintenance
- Hours/FTE spent on trading partner annual reporting obligations
- Hours/FTE spent on export certification issuance
- Hours/FTE spent on international forum representation

This data is necessary for industry to assess the efficiency of the current model and to identify functions amenable to transfer.

Escalating certifier fees

The fee that certifiers pay to DAFF to be approved National Standard certifiers is projected to increase from $8,000 per year to $9,480 per year by 2028.

The current contribution

With only four main certifiers, the current aggregate industry contribution is approximately $32,000 (4 × $8,000). Under a whole-of-DAFF CRIS, this figure demonstrates that the organic sector's current financial contribution to DAFF is negligible relative to the total departmental cost base. Any move toward proportional cost allocation would represent an enormous percentage increase from a very low base. The direct cost to DAFF to manage the organic export arrangement is approximately $1.2 million to $1.5 million annually—covering administration of the National Standard, oversight of ACBs, and technical negotiation of international equivalence agreements. Under full cost recovery, the increase from the current $32,000 aggregate contribution would be substantial.

Current regulatory architecture

The organic sector in Australia operates under a dual framework:

a) Export certification: Regulated by the *Export Control (Organic Goods) Rules 2021*, with DAFF owning and administering the National Standard for Organic and Bio-Dynamic Produce (Edition 3.8, November 2022).

b) Domestic market: Voluntary certification against AS 6000:2015, developed by Standards Australia through a representative committee of organic stakeholders, with the accompanying certification procedures document MP100:2009.

This overlap creates a direct cost burden on operators. A producer who certifies to AS 6000 for domestic labelling compliance and also exports must separately comply with the DAFF National Standard for export labelling. These are two distinct compliance obligations with two distinct standards, requiring separate documentation and separate labelling. Consolidating both into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products), incorporated by reference into the *Export Control (Organic Goods) Rules 2021*, eliminates this overlap and cost burden.

DAFF's position on domestic regulation and market access

DAFF has previously stated that "the absence of a domestic organics regulatory framework does not prevent international trade" and acknowledged that the United States—Australia's largest organic export market—operates via "conformity arrangements between certain Australian certifiers and foreign governments" rather than DAFF-mediated equivalency.

This demonstrates that DAFF's operational oversight is not a universal prerequisite for high-value market access. The conformity arrangement with the United States—through which Australian organic producers exported approximately $410 million to $530 million AUD annually in 2024–25—represents an additional cost that could be negated through equivalency arrangements. If the administration of the National Standard were removed from DAFF's cost base, resources could be redirected to export development initiatives including US and Canadian equivalency negotiation.

However, both the United States and Canada require domestic regulation to be in place before they will consider the development of equivalency arrangements. This creates a policy imperative for Australia to maintain credible domestic standards infrastructure, even as we argue for more efficient delivery mechanisms. OOA's proposal addresses this directly through the incorporation-by-reference mechanism detailed in Section 2.2(b).

OOA does not dispute that Australia's organic export system is recognised as equivalent with the European Union, Japan, Taiwan, Switzerland, and the United Kingdom. However, these equivalency arrangements require DAFF's technical input to negotiate government-to-government recognition of standards that meet trading partner requirements—a fundamentally different function from standards administration, as the Canadian precedent demonstrates.

Part 2: Proposed structural realignment—The Canadian+ model and co-regulation through AS 6000

The Canadian precedent: Separation of standard setting and regulation

OOA's proposal for structural realignment is validated by the operational model of Canada—Australia's closest structural comparator in organic regulation. Canada successfully separates the standard owner from the competent authority, and this separation has been no barrier to high-value market access.

The Canadian structural model

- **Standard owner and developer:** Canadian General Standards Board (CGSB). The CGSB is a government directorate within Public Services and Procurement Canada—distinct from the agriculture regulator. It manages the Technical Committee on Organic Agriculture, which writes and maintains the standards (CAN/CGSB-32.310 and CAN/CGSB-32.311).
- **Competent Authority (regulator):** Canadian Food Inspection Agency (CFIA). The CFIA is the Competent Authority responsible for enforcement, accreditation of verification bodies, and negotiation of international treaties. The CFIA does not write the standard. Instead, the *Safe Food for Canadians Regulations* (SFCR, Part 13, Division 1) incorporates the CGSB standard by reference—a food commodity is organic if it meets the requirements set out in CAN/CGSB-32.310.

This structural separation confirms that Competent Authority status does not require standard ownership. The CFIA holds full organic equivalency arrangements with the United States (USCOEA), the European Union, Japan, the United Kingdom, Switzerland, Taiwan, and South Korea—while the CGSB, not the CFIA, manages the technical standard.

OOA is not aware of any trading partner requirement that the Competent Authority must own and author the production standard, as distinct from having regulatory authority over it. OOA invites DAFF to identify any such requirement so that the structural separation proposal can be assessed against actual trading partner expectations.

The multilateral extension—The "+" in Canadian+

OOA acknowledges that Canada's equivalency arrangements are exclusively bilateral—each negotiated and maintained individually with each trading partner. This approach, while proven for established high-value markets, is resource-intensive and does not scale efficiently for market diversification. Australia's proposed extension beyond the Canadian model addresses this limitation.

The IFOAM Family of Standards is the only existing global program for multilateral equivalence of organic standards and technical regulations, administered by IFOAM using equivalence tools developed in cooperation with FAO and UNCTAD. The Family contains both private standards and government regulations assessed against COROS. By ensuring the consolidated AS 6000 meets COROS requirements and is accepted into the IFOAM Family of Standards, Australia establishes a multilateral recognition platform that operates concurrently with bilateral arrangements, reducing the marginal cost of each additional market access negotiation.

Australia is not approaching the IFOAM Family of Standards as a new entrant. IFOAM already lists Australia's requirements for imported organic or biodynamic products and ingredients under the "Government Import Regulation Programs" category of the Family of Standards. This confirms that Australian government organic regulations have already been assessed against COROS on the import side and accepted as meeting the common objectives and requirements.

The existing import-side inclusion has two implications for OOA's proposal

First, the substantive gap between Australia's current regulatory framework and COROS requirements is likely narrower than would be the case for a country with no prior COROS engagement, reducing the technical risk of the export-side alignment proposed in this submission. Second, DAFF has already engaged with the IFOAM assessment process, demonstrating existing institutional familiarity with the mechanism OOA proposes to extend to the export standard. OOA's proposal is therefore not to enter an unfamiliar framework but to complete Australia's participation in it: extending recognition from import requirements to the consolidated AS 6000 as the export standard, creating a coherent multilateral position covering both directions of trade.

The bilateral and multilateral pathways are complementary tiers of a single market access architecture: the multilateral layer provides recognition pathways for markets that accept IFOAM-based equivalence—including emerging markets in the ASEAN region, where the ASEAN Standard for Organic Agriculture (ASOA) is itself included in the Family—while bilateral arrangements remain the pathway for markets that require government-to-government equivalency. Inclusion of the consolidated AS 6000 in the Family would position Australia's standard within the same common international reference used by its trading partners, rather than requiring each bilateral assessment to establish equivalence from first principles.

The institutional credibility of this framework warrants brief clarification. IFOAM is a non-governmental organisation and has no role in government-to-government equivalency negotiations. Its function in OOA's proposal is narrower: it administers the COROS assessment process and publishes the results. Governments then use those results—or choose not to—in their own bilateral processes.

The equivalence methodology that underpins COROS was not developed by IFOAM alone. It originated from the International Task Force on Harmonisation and Equivalence in Organic Agriculture, a joint initiative of FAO and UNCTAD—intergovernmental organisations in which Australia participates. The methodology carries intergovernmental provenance; the ongoing administration sits with IFOAM. That major trading partners—including the United States, the European Union, Japan, and South Korea—have submitted their own government regulations for assessment against this framework demonstrates that governments already engage with it as a credible reference. Australia itself already participates: IFOAM lists Australia's import requirements for organic and biodynamic products within the Family under the Government Import Regulation Programs category.

The functional parallel is conformity assessment: The ISO/IEC 17065 standard against which DAFF requires ACBs to be accredited is developed by ISO, also a non-governmental organisation. The conformity assessment infrastructure that DAFF's existing Administrative Arrangements rely on runs through NGO-developed standards. The IFOAM equivalence framework operates on the same principle—a non-governmental body maintaining a technically rigorous reference that governments adopt for their own regulatory purposes.

The cost recovery implications are direct: Each bilateral equivalency arrangement requires dedicated DAFF resources for initial negotiation, periodic peer review, annual reporting, and ongoing monitoring. Where both parties' standards have been independently assessed against a common reference (COROS), the desk assessment phase is materially simplified because the areas of alignment and divergence are already documented.

This does not eliminate bilateral negotiation—it accelerates it and reduces the FTE allocation required per negotiation. In markets that accept IFOAM Family recognition without requiring a separate bilateral arrangement, the resource requirement is further reduced. The IFOAM Family operates on an annual fee basis paid by the standard owner, with equivalence maintained through periodic reassessment against COROS—materially less resource-intensive than bilateral peer review cycles (see Section 2.8).

Canadian cost and funding model

The CGSB standard is reviewed every five years, with costs shared between government and industry (via the Organic Federation of Canada). The standard remains a "National Standard of Canada" managed by the CGSB, carrying the necessary weight for international negotiations without the regulator bearing the full wage burden of technical writing staff.

OOA notes that in the Canadian model, the CFIA leads organic equivalency negotiations as Competent Authority, with support from other federal departments including Global Affairs Canada as required. This confirms that organic equivalency negotiation is a Competent Authority function internationally—distinct from trade agreement negotiation led by foreign affairs departments. OOA's proposal is consistent with this: equivalency negotiation remains with DAFF, with the multilateral pathway reducing the per-market cost of that function.

Transition to AS 6000 (Australian National Standard for Organic and Biodynamic Products) and industry co-regulation

OOA proposes the progressive winding back of DAFF's administration of the National Standard, transitioning to a co-regulatory model that mirrors and extends the Canadian architecture. The National Standard and AS 6000:2015 share a common lineage: AS 6000 was originally developed with reference to the National Standard. The proposal is to consolidate both documents into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products)—not to discard one in favour of the other. The consolidated standard carries forward the substance of the National Standard within the Standards Australia framework, preserving continuity for trading partners and operators.

Technical governance: Adoption of AS 6000

The technical standard should transition fully to AS 6000, managed by Standards Australia. OOA has already engaged Standards Australia regarding the revision of AS 6000:2015. Standards Australia's methodology conforms to ISO/IEC Guide 59 and is consistent with Australia's obligations under the WTO Technical Barriers to Trade Agreement, providing the procedural legitimacy that trading partners require for standards recognition.

The consolidation process provides a direct opportunity to align AS 6000 with IFOAM COROS requirements. IFOAM provides technical assistance to standard owners during revision to ensure COROS alignment. OOA proposes that the AS 6000 technical committee engage IFOAM during the consolidation to ensure the resulting standard satisfies COROS equivalence requirements. Upon completion, OOA, in consultation with Standards Australia as the standard owner, would submit AS 6000 for formal COROS assessment and inclusion in the IFOAM Family of Standards. For standards owned by a national standards body (as distinct from a government regulation), the application pathway requires submission of the standard. The cost of this process—measured against the ongoing cost of bilateral negotiation and maintenance across multiple trading partners—represents a material efficiency gain.

The value of an industry-managed standard with direct commercial stakeholder participation on the technical committee is further illustrated by recent policy developments that affect international alignment requirements:

- **Antibiotics:** Proposed amendments to the National Standard (Edition 3.8) regarding antibiotic use in livestock, while recognising these may address animal welfare considerations, would create a divergence from USDA NOP requirements, which strictly prohibit antibiotic use. This divergence would put at risk Australia's organic exports to the US, valued at approximately **$410 million to $530 million AUD annually**.
- **New Breeding Techniques (NBTs):** The FSANZ P1055 determination to deregulate certain NBTs creates a traceability gap. As global organic standards (EU, IFOAM) classify NBTs as prohibited GMOs, the lack of mandatory disclosure threatens Australia's access to the global organic market of **AUD $243 billion** (€145 billion, at current exchange rates 2024 data published February 2026). OOA's companion submission to the OGTR addresses the fiscal and remediation implications of this deregulation in detail.

These developments illustrate the speed at which international alignment requirements can change. A standard with direct participation of commercial stakeholders on the technical committee is positioned to identify and respond to these risks within the standard revision cycle.

The incorporation-by-reference mechanism

OOA proposes that the consolidated AS 6000 be incorporated by reference into the *Export Control (Organic Goods) Rules 2021*, thereby giving it regulatory force for export purposes. This is the identical mechanism used in Canada, where the *Safe Food for Canadians Regulations* reference the CGSB standard. Incorporation-by-reference is not novel in Australian regulation—the National Construction Code references numerous Australian Standards.

This means that:

> **For domestic purposes:** AS 6000 remains a voluntary standard. Producers may choose to certify to AS 6000 for domestic labelling, supported by existing Australian Consumer Law protections against misleading organic claims. OOA does not advocate for mandatory domestic certification. The domestic market continues as now, with certification voluntary. OOA engages as the peak industry body representing organic producers and consults with government on standards, providing stakeholder assurance and reference to industry recognition of AS 6000 and recognised certifiers. This is OOA's current function and preferred position.
>
> **For export purposes:** AS 6000, incorporated by reference into the *Export Control (Organic Goods) Rules 2021*, becomes the mandatory standard. Producers seeking to export organic goods must be certified to AS 6000 as a condition of the *Export Control (Organic Goods) Rules 2021*.
>
> **The legislative mechanism:** The *Export Control (Organic Goods) Rules 2021* reference AS 6000 as the applicable standard for organic export certification. DAFF retains the power to require specific provisions in AS 6000 as a condition of its adoption for export purposes—effectively holding a right of veto over provisions that would compromise equivalency.

This dual status—voluntary for domestic, mandatory for export via incorporation-by-reference—satisfies the domestic regulatory framework requirement for US and Canadian equivalency negotiations (see Section 2.3) while eliminating the current dual-standard overlap (see Section 1.2). The structure preserves DAFF's enforcement authority: all enforcement, sanction, and prosecution powers remain with DAFF under the *Export Control Act 2020* for export purposes, and the ACCC retains its powers domestically. The proposal separates standard development from standard enforcement.

The dual-status structure also resolves an asymmetry in Australia's current multilateral recognition position. Australia's import requirements for organic and biodynamic products are already included in the IFOAM Family of Standards under the Government Import Regulation Programs category, meaning that imports into Australia are governed by a framework with established COROS recognition. However, Australia's export standard—the National Standard—is not included in the Family, creating a position where Australia benefits from multilateral recognition on the import side but relies exclusively on bilateral arrangements on the export side.

The consolidated AS 6000, incorporated by reference into the *Export Control (Organic Goods) Rules 2021* and submitted for COROS assessment and IFOAM Family inclusion, would bring Australia's export framework into alignment with its existing import-side recognition—a coherent multilateral position covering both directions of trade. The multilateral equivalence pathway (Section 2.1(b)) does not alter this legislative mechanism. The implications for DAFF's legislative authority are addressed in Section 2.5.

Regulatory oversight: Audit functions and overlap with Accreditation Body assessment

OOA acknowledges that trading partners require oversight of certifying bodies to be performed by, or under the authority of, the Competent Authority.

Under the *Export Control Act 2020* and the *Export Control (Organic Goods) Rules 2021*, DAFF conducts an announced audit of each ACB annually, in accordance with sections 265–275 of the *Export Control Act 2020*. This annual audit encompasses both a review of the ACB's management systems and a review of a percentage of operators certified by the ACB. DAFF's published description of this process confirms that the operator review is "generally done by witnessing an inspection conducted by the approved certifying body's inspectors/auditors"—that is, a DAFF officer accompanies an ACB inspector to an operator's premises and observes the inspection being conducted. The stated purpose is "to assess the competency of the approved certifying body's inspectors/auditors, including how effectively they assess compliance to the requirements of the National Standard."

DAFF currently conducts both components as part of a single annual audit process. OOA proposes that these components be disaggregated for the purpose of assessing transferability, because they involve qualitatively different activities with different overlap profiles against accreditation body assessment:

- **Systems-level compliance review:** The component of DAFF's annual audit that assesses the ACB as a legal entity and holder of an Approved Arrangement—verifying compliance with the *Export Control (Organic Goods) Rules 2021*, the National Standard, importing country requirements, and administrative arrangements (including impartiality, absence of conflicts of interest, and financial viability); and
- **Function auditing:** The component of DAFF's annual audit that assesses the actual performance of the certifier's staff in the field—primarily through witness audits (where a DAFF officer observes an ACB inspector conducting a field inspection of an operator) and, where DAFF determines it appropriate, through other review methods such as desk-based assessment of operator files.

In addition, DAFF oversees Organic Goods Certificates management—verifying that OGCs are only issued for goods meeting the standard and are accurately tracked to prevent fraudulent use.

Overlap with accreditation body assessment

The systems-level compliance review overlaps substantially with accreditation body assessment under ISO/IEC 17065. Under DAFF's existing Administrative Arrangements, ACBs must hold accreditation to ISO/IEC 17065 by an accreditation body meeting defined criteria. Both the accreditation body and DAFF assess the ACB's management system, competence, and impartiality. The current architecture results in industry bearing the cost of two overlapping assessments. OOA notes that the principle of accepting accreditation body reports as primary evidence of management system compliance may have application beyond the organic program, across other commodity programs where DAFF conducts systems-level audits that overlap with accreditation body assessment.

However, the function audit—primarily witness audits of certifier staff conducting field inspections—is a distinct Competent Authority activity that accreditation bodies do not perform in the same manner. The accreditation body assesses the ACB's system for managing auditor competence; DAFF directly observes auditor performance at operator premises. OGC management oversight is similarly distinct and connected to DAFF's export certification role.

Standard application monitoring

Distinct from both systems-level compliance auditing and function auditing is a third category: monitoring whether certifying bodies are correctly interpreting and applying the technical requirements of the organic standard to certified operators. This includes consistency of interpretation across certifiers, identification of divergent practices, and investigation of complaints from operators about how certifiers apply the standard.

OOA proposes that standard application monitoring should transfer to OOA as the peak industry body, for the following reasons:

First, when the standard transitions to AS 6000 managed by Standards Australia, the authority on what the standard means and how it should be correctly interpreted resides with the Standards Australia technical committee. OOA, as the body driving the AS 6000 consolidation and engaging directly with Standards Australia, is positioned to provide authoritative guidance on correct standard application.

Second, OOA represents organic producers—the operators who are the subjects of certification. Producers have a direct interest in ensuring that certifiers apply the standard consistently, fairly, and accurately. A peak industry body receiving and investigating complaints about standard application is a standard function in co-regulatory models.

Third, the distinction between regulatory compliance (is the certifier meeting its legal obligations?) and standard application (is the certifier correctly interpreting organic requirements?) is the same distinction that operates in the Canadian model. The CFIA (regulator) verifies regulatory compliance; the CGSB (standards body) and the Organic Federation of Canada (industry) are the authorities on correct standard interpretation.

Under this arrangement, OOA would receive and investigate complaints from operators regarding how certifiers interpret and apply AS 6000, maintain a register of recognised certifiers meeting the standard, and provide recommendations to DAFF where standard application failures indicate a systemic compliance issue warranting regulatory action. The resourcing of OOA's advisory and investigative functions will be addressed in the co-regulatory governance proposal (Recommendation 5). DAFF retains the statutory power to approve, suspend, or withdraw certifier approvals—OOA's role is advisory and investigative, not decisional.

IFOAM accreditation and certification body recognition

The multilateral architecture extends to the conformity assessment level. Some Australian ACBs already hold IFOAM accreditation, assessed by the International Organic Accreditation Service (IOAS) against the IFOAM Accreditation Requirements, which are themselves based on ISO/IEC 17065 with additional organic-specific requirements. IFOAM accreditation provides international recognition of certification body competence that is accepted across multiple jurisdictions without separate bilateral accreditation negotiations. IOAS also provides accreditation for certification bodies against the Australian National Standard for Organic and Bio-Dynamic Produce as Australia's technical export standard. Where an ACB holds both JAS-ANZ ISO/IEC 17065 accreditation and IFOAM accreditation assessed by IOAS, the case for accepting these assessments as the primary evidence of management system compliance—in place of an overlapping departmental audit—is strengthened.

Certifier withdrawal and transition management

The recent withdrawal of NASAA Certified Organic from National Standard certification activities (26 June 2025) illustrates the unplanned cost events that arise when a certifier withdraws. The cost of developing a transition policy, coordinating with remaining ACBs, and issuing guidance to affected operators falls on the program's general operating costs and is recovered under the CRIS.

Under the proposed model, two mechanisms reduce the frequency and cost of such events. First, rationalising systems-level compliance auditing against ISO/IEC 17065 accreditation provides continuous surveillance of certifier capability through the accreditation body's ongoing monitoring—a more granular early-detection system than an annual audit cycle. Second, OOA's proposed role in maintaining a register of recognised certifiers and investigating complaints about standard application provides a supplementary industry-level detection function. These mechanisms do not eliminate the possibility of certifier failure, but they provide earlier detection and reduce the scale and cost of crisis management.

OOA's proposal therefore distinguishes between:

- **Transferable:** The systems-level compliance review component of DAFF's annual audit, where the overlap with accreditation body assessment supports rationalisation. DAFF can accept accreditation body reports as the primary evidence of management system compliance, reducing the overlapping layer.
- **Transferable:** Standard application monitoring, where the authority on standard interpretation transfers with the standard to Standards Australia and OOA's proposed advisory and investigative role.
- **Non-transferable:** The function auditing component of DAFF's annual audit (primarily witness audits of certifier staff at operator premises) and OGC management oversight, which are sovereign Competent Authority functions and must remain with DAFF.
- **Transferable:** Standard administration, NSAC management, standard interpretation and query management, and change management and stakeholder communication, which Canada allocates to its standards body (CGSB) rather than its regulator (CFIA).

Table 5: Current and proposed functional architecture

Function	Current arrangement	Proposed future arrangement
Standard development and revision	DAFF (National Standard)	Standards Australia (AS 6000 committee)
NSAC / advisory committee	DAFF	Standards Australia technical committee
Standard interpretation and query	DAFF (online form, NSAC referral, submissions register)	Standards Australia (technical interpretation and guidance)
Change management and stakeholder communication	DAFF (Organic Notices, Have Your Say, amendment cycle)	Standards Australia (revision process); DAFF communicates trading partner requirements through AS 6000 committee
Systems-level compliance auditing of certifying bodies (component of annual audit)	DAFF + accreditation bodies (overlapping)	Accreditation bodies meeting defined organisational attributes; DAFF accepts reports as primary evidence
Function auditing (witness audits, operator reviews)	DAFF (Competent Authority—CA)	DAFF—no change
OGC management oversight	DAFF	DAFF—no change
Standard application monitoring	DAFF	OOA—advisory and investigative role; DAFF retains statutory powers
Approval / suspension / withdrawal of certifiers	DAFF	DAFF—for export; OOA—investigative and advisory role
Regulatory enforcement and sanctions	DAFF under Export Control Act 2020	DAFF—no change
Fraud prosecution	DAFF investigation, referral to CDPP for prosecution (export) / ACCC (domestic) / State authorities	No change
Export certification issuance	DAFF	DAFF—no change
Bilateral organic equivalency negotiation and maintenance	DAFF (Competent Authority—CA)	DAFF—no change; per-market cost reduced by multilateral pathway
Multilateral equivalence recognition	Not currently pursued	OOA/Standards Australia—IFOAM Family application and maintenance; DAFF advisory input on COROS alignment via AS 6000 committee participation
MICoR organic protocol development	Not currently documented	DAFF Biosecurity in collaboration with industry
Import compliance	DAFF—biosecurity checks and treatment (organic status lost or maintained)	DAFF—biosecurity checks and treatment; harmonised organic requirements if re-exported or truth-in-labelling

Resource reallocation

If the administration of the National Standard is removed from DAFF's cost base, the saved resources should be directed to:

- **MICoR expansion:** DAFF should expand the Manual of Importing Country Requirements by documenting organic protocols for non-equivalence markets, as recommended in the *2024 Trading North* report. Clear cross-referencing between organic integrity requirements and mandatory biosecurity treatments should be established to ensure technical market access requirements are harmonised. As the multilateral equivalence pathway reduces the number of non-equivalence markets requiring detailed bilateral documentation, the scope of this function narrows over time. OOA notes that MICoR is maintained by DAFF Biosecurity; the allocation of organic protocol development costs between the organic program and the biosecurity program under the CRIS should reflect this functional responsibility.
- **US/Canada equivalency negotiation:** Redirecting resources toward negotiating equivalency arrangements to replace the costly conformity model currently imposed on Australian certifiers.

Efficiency in Organic Goods Certificate issuance and program administration

The CRIS cost base includes program management and administration costs associated with OGC issuance, as well as assurance costs associated with the annual audit of ACBs. OOA identifies three areas where the cost base can be reduced without diminishing the integrity of DAFF's Competent Authority function.

First, OGC issuance automation. The current OGC issuance process involves manual and hybrid steps that prevent straight-through processing. Where an ACB uploads certification data into NEXDOC, automated validation against the *Export Control (Organic Goods) Rules 2021* could replace manual departmental review for standard consignments, reducing the program management overhead. The *Export Control Act 2020* provides for automated decision-making, and DAFF's broader Simplified Trade System agenda supports the digitisation of trade documentation.

OOA recognises that system development involves capital expenditure. OOA submits that this investment should not be fully recovered from the organic sector's certificate fees under the CRIS, as automation of OGC issuance within NEXDOC modernises DAFF's core trade documentation capability—a departmental infrastructure improvement with application beyond the organic program. OOA further submits that automated validation provides higher data integrity assurance than manual review, reducing the risk of clerical errors that could create discrepancies between the OGC and importing country systems such as TRACES.

Second, risk-based audit frequency as a transitional measure. If the full rationalisation of the systems-level compliance review against accreditation body assessment proposed in Section 2.2(c) is not achievable within the CRIS implementation period, OOA proposes as an interim measure that ACBs with a sustained record of compliance be subject to reduced systems-level review frequency—for example, biennial rather than annual—under an earned recognition model. The *Export Control Act 2020* allows the Secretary to consider an entity's history of compliance when determining regulatory conditions. This does not affect the function auditing component (witness audits and operator reviews), which remains an annual Competent Authority activity.

Third, incident cost allocation. The CRIS cost base includes a component for incident management—investigating non-compliance and managing enforcement actions. OOA proposes that incident management costs be allocated to the entities that generate them through tiered non-compliance fees, rather than being socialised across the general organic program cost base. Compliant operators and certifiers should not subsidise the cost of investigating non-compliant entities. This is consistent with the *Australian Government Charging Framework*'s principle that charges should relate to the costs of the specific activity.

The United States market and equivalency

The total US organic market, valued at approximately $AUD100 billion (current exchange rates), of which imports are gaining an increasing share, represents significant export potential for Australian organic producers. Currently, access relies on conformity arrangements placing the entire cost burden on individual certifiers. By formally recognising the consolidated AS 6000 as the domestic standard (incorporated by reference into the *Export Control (Organic Goods) Rules 2021)*, Australia satisfies the domestic regulation requirement for US/Canada equivalency negotiations without DAFF needing to employ a team to write and manage that standard.

The multilateral pathway (Section 2.1(b)) does not substitute for the US equivalency requirement, which requires a bilateral government-to-government arrangement. However, inclusion in the IFOAM Family of Standards establishes the international credibility of the standard and demonstrates alignment with the common objectives that underpin all major organic regulatory systems—including the USDA National Organic Program—thereby strengthening Australia's negotiating position. The CFIA's procedure for organic equivalency determination confirms that equivalence is determined by assessing and comparing two regulatory systems to decide whether their principles and outcomes are equivalent. Where both systems are already demonstrated as equivalent to a common third reference (COROS), the bilateral assessment can proceed from a position of established baseline equivalence rather than from first principles. This principle is reinforced by the fact that Australia's own import requirements are already assessed and included in the IFOAM Family of Standards: Australia can demonstrate not only that AS 6000 meets COROS requirements, but that the Australian government has prior institutional engagement with the assessment framework—a factor relevant to establishing credibility in bilateral negotiations with the USDA.

Cost trajectory management. Recommendation 11 proposes redirecting resources toward US/Canada equivalency negotiation—a Competent Authority function that remains with DAFF. If successful, these new bilateral arrangements will each carry ongoing maintenance, peer review, and reporting obligations—adding recurring costs to the CRIS cost base in future years. The multilateral pathway moderates this cost escalation: where AS 6000 is COROS-aligned and included in the IFOAM Family of Standards, the incremental cost of establishing and maintaining each new bilateral arrangement is reduced because the baseline equivalence of the standard is already internationally documented. The CRIS should account not only for the current cost base but for the cost trajectory implied by expanding bilateral coverage. The multilateral pathway flattens this trajectory, ensuring that market diversification does not produce a proportional increase in the recoverable cost base that is passed through to operators.

The European Union equivalency transition

Australia's recognition as an equivalent country for organic trade with the European Union—currently provided under Article 33(2) of *Regulation (EC) No 834/2007*, as referred to in Article 48 of *Regulation (EU) 2018/848*—is due to expire on 31 December 2026. On 16 December 2025, the European Commission published a proposal (COM(2025) 780) to extend this recognition to 31 December 2036, acknowledging that negotiations toward replacement bilateral trade agreements with the 11 recognised third countries (including Australia) have progressed at different rates. This proposal requires adoption through the ordinary legislative procedure and is not yet in force.

Regardless of the outcome of the extension proposal, the EU's regulatory shift from equivalence to compliance under *Regulation (EU) 2018/848* signals that eventual renegotiation of Australia's organic trade arrangements with the EU as a bilateral trade agreement will be required. This renegotiation will be resource-intensive—requiring legal, technical, and diplomatic capacity from DAFF—and will add to the CRIS cost base during or shortly after the current implementation period.

This strengthens the case for both elements of OOA's proposal. The structural reform (Recommendations 3 and 8) reduces DAFF's administrative burden, freeing capacity for the EU renegotiation. The multilateral pathway (Section 2.1(b)) provides documented COROS-alignment of AS 6000 that simplifies the desk assessment phase of any bilateral negotiation, including with the EU. The CRIS should account for this foreseeable cost pressure when assessing the efficiency of the current program structure.

DAFF's role

Under OOA's proposal, DAFF's role is:

- **Competent Authority:** When a foreign government (such as the EU or USDA) asks "Who is the competent authority for organics in Australia?" the answer is DAFF. DAFF leads the negotiation and maintenance of government-to-government organic equivalency arrangements, consistent with international practice.
- **Function auditing:** Conducting witness audits and operator reviews to assess the competency of certifier staff, including how effectively they assess compliance to the requirements of the standard.
- **OGC management oversight:** Verifying the integrity of the Organic Goods Certificate issuance system.
- **Regulatory enforcement:** Approving, suspending, or withdrawing certifier approvals for export purposes; enforcing compliance under the *Export Control Act 2020*; investigating fraud and referring matters to the CDPP.
- **Export certification:** Issuing organic goods certificates where required by importing countries (including EX188 documentation required by customs officials).
- **MICoR development:** Documenting organic protocols in the Manual of Importing Country Requirements and harmonising organic integrity requirements with biosecurity treatments.

- **Technical liaison:** Participating in the AS 6000 committee in an advisory (non-voting) capacity and communicating trading partner requirements to Standards Australia and OOA. The advisory designation preserves the structural separation that underpins the cost reduction: a voting role would require DAFF to staff for substantive positions on every technical question the committee considers—effectively retaining standard administration under a different name. The non-voting designation does not diminish DAFF's influence on the matters within its competence. DAFF holds a right of veto over provisions that would compromise equivalency (see Section 2.6)—a more targeted instrument than a committee vote, which can be outvoted. Standards Australia technical committees operate by consensus; in a consensus-based process, any sustained objection from a participant—voting or not—prevents the committee from finalising the provision, ensuring DAFF's technical requirements are addressed regardless of formal voting status.
- **Representation:** Serving as Australia's competent authority in international forums where government representation is explicitly required.
- **Import compliance:** DAFF Biosecurity exercises the "fumigate or clear" decision under the *Biosecurity Act 2015* to manage border biosecurity risk; thereafter the responsibility for standard compliance shifts to the importer or re-exporter, who must ensure the goods either meet organic export requirements and obtain a DAFF-issued Organic Goods Certificate for re-export, or satisfy organic "truth-in-labelling" requirements before entering the domestic market. OOA notes that Australia's requirements for imported organic and biodynamic products are already included in the IFOAM Family of Standards under the Government Import Regulation Programs category.

Scope of OOA's proposals

To ensure clarity, OOA states the following:

- OOA accepts that DAFF must retain Competent Authority status. This is non-negotiable for equivalency and the maintenance of bilateral trade arrangements.
- All enforcement, sanction, and prosecution powers remain with DAFF under the *Export Control Act 2020*. The *Export Control (Organic Goods) Rules 2021* will reference AS 6000 through the incorporation-by-reference mechanism (Section 2.2(b)).
- For export purposes, AS 6000, incorporated by reference, has mandatory regulatory force. For domestic purposes, AS 6000 remains voluntary. These are consistent: the same standard applies in both contexts.
- DAFF must retain the power as Competent Authority to specify technical requirements that AS 6000 must meet to support equivalency, communicated through its advisory participation in the AS 6000 committee, including a right of veto over provisions that would compromise market access (see Section 2.5(g)).
- Export certification issuance and bilateral organic equivalency negotiation are sovereign functions that remain with DAFF. The multilateral pathway (Section 2.1(b)) reduces the per-market cost of bilateral negotiation without transferring the function.

- OOA's proposal rationalises the overlapping systems-level compliance audit layer (Section 2.2(c)) while retaining DAFF's function auditing and OGC management oversight.
- The multilateral equivalence pathway requires no amendment to the *Export Control Act 2020* and no amendment to the *Export Control (Organic Goods) Rules 2021* beyond the amendment already proposed to reference AS 6000 in place of the National Standard (see Section 2.2(b)). IFOAM Family inclusion is an international recognition process between the standard owner (Standards Australia) and IFOAM. It operates entirely outside Australian legislation. No new regulatory instrument is required. The only legislative change required by OOA's structural reform proposal is the amendment to the *Export Control (Organic Goods) Rules 2021* to reference AS 6000 in place of the National Standard—the identical type of amendment required under the Canadian model.

OOA seeks the transfer of standard development to Standards Australia and the rationalisation of systems-level compliance auditing. We do not seek the transfer of function auditing, OGC management oversight, bilateral equivalency negotiation, or regulatory authority. The Canadian system demonstrates that this distinction is operational.

Transitional considerations

Any transition must ensure continuity of market access. OOA proposes that DAFF:

- **Formally** notify Standards Australia of the technical requirements for AS 6000 consolidation to achieve equivalency with key trading partners;
- **Participate** in the AS 6000 committee in an advisory (non-voting) capacity;
- **Develop** a structural reform timeline aligned with the CRIS implementation period (2026–2028), with the standard consolidation, function transfer, and audit rationalisation commencing within that period;
- **Maintain** regular consultation with OOA as the primary industry partner driving the co-regulation proposal and the AS 6000 consolidation engagement with Standards Australia. OOA represents organic producers—the operators who bear the cost of certification and regulatory compliance—and is the body with the established engagement with Standards Australia on AS 6000.
    - OOA acknowledges that the organic sector includes other stakeholders whose interests differ from, and in some cases may conflict with, the producer interest that OOA represents. These include certifying bodies with logo licensing fees, commodity-affiliated producer groups, and consumer representative bodies. DAFF may wish to consult with these stakeholders as appropriate, as well as recognise that OOA is the body with the mandate, the Standards Australia engagement, and the co-regulation proposal that this submission advances.
- **The consolidation** of the National Standard and AS 6000 into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products) involves a one-time transition cost shared between Standards Australia (managing the committee process), industry (participating in technical committee deliberations), and DAFF (providing advisory input on

trading partner requirements through its committee participation). This transition cost is finite and bounded by the structural reform timeline proposed in Recommendation 5. The saving it produces is permanent and recurring: upon completion of the transition, DAFF's ongoing FTE allocation to standard administration, NSAC management, standard interpretation, and change management is permanently removed from the organic program's cost base. In a whole-of-DAFF CRIS environment, this represents a permanent reduction in the organic program's direct cost allocation and, correspondingly, a reduction in the departmental overhead allocated to the organic sector, to the extent that overhead is allocated proportionally to direct program costs (see Section 2.8, Reduced shared overhead allocation).

- **Provide** clear guidance on interim arrangements during the transition period, including how conformity arrangements and equivalency agreements will be maintained during the transition to AS 6000; and
- **Establish** the regulatory framework for accreditation body organisational attributes under the *Export Control (Organic Goods) Rules 2021*, enabling qualifying accreditation bodies to participate and rationalising the overlapping systems-level compliance audit layer while retaining DAFF's function auditing and OGC management oversight.

Cost recovery implications

The reforms proposed above have direct implications for the CRIS. The cost reductions derive from two distinct sources, affecting different categories of the Export Organic team cost base.

Recommendations 3, 5, and 8: Structural reform—Standard administration transfer, audit rationalisation, and program efficiency

If DAFF transfers administration of the National Standard and NSAC management to Standards Australia, the cost base subject to recovery from industry will correspondingly reduce. The cost categories directly affected are:

- **National Standard drafting and revision:** Transfers to Standards Australia. DAFF's FTE allocation to this function is removed from the recoverable cost base.
- **NSAC administration:** Transfers to the Standards Australia technical committee. DAFF's FTE allocation is removed.
- **Standard interpretation and query management:** DAFF currently operates a formal standard interpretation service, receiving and triaging questions from certifiers and operators, routing them to the NSAC for technical advice, and publishing responses on the National Standard submissions register. When ownership transfers to Standards Australia, the authority on standard interpretation shifts to the Standards Australia technical committee. This function—and the associated FTE allocation—is removed from DAFF's cost base. OOA would provide practical application guidance to operators and certifiers, consistent with the standard application monitoring function proposed in Section 2.2(c).
- **Change management and stakeholder communication:** DAFF currently manages the full change cycle for the National Standard—monitoring trading partner requirements, assessing

impact, drafting amendments, managing public consultation, collating responses, coordinating NSAC review, publishing decisions, and issuing Organic Notices to industry. This function is reactive and driven by external trading partner decisions, making it a volatile and difficult-to-forecast cost within the CRIS. When the standard transfers to Standards Australia, the change management function transfers with it. Standards Australia's established processes for managing standard revisions, public comment periods, and technical committee deliberations absorb this function as part of its core business. DAFF's residual role is limited to communicating trading partner requirements through its advisory participation in the AS 6000 committee—a materially reduced FTE commitment.

- **Systems-level compliance review of certifying bodies:** The systems-level component of DAFF's annual audit is rationalised against accreditation body assessment as detailed in Section 2.2(c). DAFF accepts accreditation body reports as primary evidence of management system compliance, reducing the overlapping review layer and the associated FTE allocation.
- **OGC issuance and program administration:** Automation of OGC processing within NEXDOC, implementation of risk-based audit frequency for compliant certifiers, and reallocation of incident management costs to non-compliant entities reduce the program management and assurance cost components of the retained function base, as detailed in Section 2.2(e).

Recommendation 10: Multilateral equivalence pathway (the "+" in Canadian+)

The multilateral pathway affects a different cost category: equivalency negotiation and maintenance. The cost categories affected by the detailed cost mechanism and rationale (see Section 2.3, Cost trajectory management) are:

- **Equivalency negotiation and maintenance:** The multilateral pathway reduces the number of bilateral arrangements requiring dedicated DAFF negotiation and maintenance resources, and reduces the per-arrangement effort for those that remain.
- **Trading partner reporting obligations:** Each bilateral arrangement requires DAFF to submit annual reports on certification activities, compliance actions, and systemic issues. Where the multilateral pathway reduces the number of bilateral arrangements, the annual reporting burden decreases proportionately. IFOAM Family maintenance involves a single periodic reassessment against COROS, replacing multiple bilateral reporting cycles with a single multilateral review.
- **International forum representation:** Where DAFF currently represents Australia in international organic forums to establish credibility and seek recognition from individual trading partners, IFOAM Family inclusion provides standing international recognition that reduces the representational burden. DAFF's representation in forums where government participation is explicitly required (e.g., Codex Alimentarius) is unaffected.

Combined effect on DAFF's cost base

The structural reform (Recommendations 3, 5, and 8) removes the largest cost categories from DAFF's direct expenditure—standard administration, NSAC management, standard interpretation, change management, and the overlapping systems-level audit layer represent the primary transferable cost

burden, as identified in Recommendation 3. The multilateral pathway (Recommendation 10) reduces a smaller but significant cost category—bilateral equivalency negotiation and maintenance—which is ongoing, recurrent, and scales with the number of trading partner arrangements.

The combined effect is a reduction in DAFF's total operating expenditure on the Export Organic program, not merely a reallocation of existing costs to industry. The residual cost base—function auditing, OGC management oversight, export certification issuance, bilateral equivalency negotiation and maintenance, and regulatory enforcement—represents the efficient cost of the sovereign Competent Authority function. This is the cost base that the CRIS should recover: the efficient costs of genuinely sovereign functions, not the costs of administrative and negotiation functions that can be more efficiently delivered through Standards Australia (standard administration), accreditation bodies meeting DAFF-defined organisational attributes (systems-level compliance assessment), and the IFOAM multilateral framework (market access recognition).

Reduced shared overhead allocation. Under a whole-of-DAFF CRIS, the organic sector's exposure to allocated departmental overhead (corporate services, IT, legal, policy coordination, accommodation) will decrease proportionately as the organic program's direct costs decrease. The *Australian Government Charging Framework* requires that indirect costs be apportioned using the entity's documented internal costing methodology, and that charges relate proportionately to the costs of the activity. Where overhead is apportioned based on the program's share of direct costs, FTE headcount, or another proportional driver, a reduction in the organic program's direct cost base produces a corresponding reduction in allocated overhead. This is a flow-on effect: each dollar of direct cost removed reduces the overhead allocation by the applicable overhead rate, producing a total cost reduction greater than the direct saving alone.

Overhead cost allocation methodology. OOA requests that DAFF disclose the overhead allocation methodology applied to the organic program under the CRIS, including the cost driver used for apportionment, to enable industry to assess the full cost reduction from these proposals. In particular, OOA requests clarification on whether the cost of developing organic protocols within MICoR—a function performed by DAFF Biosecurity (Section 2.2(d))—will be allocated to the organic program cost base or to the biosecurity program's cost base under the CRIS. As MICoR is maintained by DAFF Biosecurity and serves the department's broader market access function, the allocation methodology should reflect the program that performs the work.

OOA is unable to quantify the residual cost base without the functional cost breakdown requested in Section 1.1. However, the analysis above identifies that the permanently removed cost categories (standard administration, NSAC management, standard interpretation, change management) and the rationalised systems-level compliance review represent the primary transferable cost burden—functions that the Canadian comparator demonstrates can be delivered outside the Competent Authority. The retained sovereign functions (function auditing, OGC management, export certification, bilateral equivalency negotiation, regulatory enforcement) represent the irreducible cost of Competent Authority operations (see Sections 2.5 and 2.6).

OOA anticipates that the retained functions represent a materially smaller share of the current $1.2–1.5 million program cost, and invites DAFF to confirm this through disclosure of the functional cost breakdown so that the CRIS can be calibrated to the efficient cost of genuinely sovereign functions.

Summary tables: Potential cost-savings for DAFF

Table 6: Permanently removed costs under OOA's proposals

Cost category	Driven by	Mechanism	Effect on CRIS cost base	Nature of saving
Standard drafting and revision	Recs 5, 8	Transfers to Standards Australia	Permanently removed	Permanent, recurring
NSAC administration	Recs 5, 8	Transfers to SA technical committee	Permanently removed	Permanent, recurring
Standard interpretation and query management	Recs 5, 8	Transfers with standard ownership	Permanently removed	Permanent, recurring
Change management and stakeholder communication	Recs 5, 8	Transfers with standard ownership	Permanently removed; volatile cost eliminated	Permanent, recurring

Table 7: Reduced costs under OOA's proposals

Cost Category	Driven by	Mechanism	Effect on CRIS cost base	Nature of saving
Program management and incident cost efficiency	Rec 5	Automation of OGC issuance; incident cost reallocation to non-compliant entities (Section 2.2(e))	Reduced	Recurring reduction
Systems-level compliance review	Recs 3, 5	Rationalised against ISO/IEC 17065 accreditation (Section 2.2(c))	Reduced (not eliminated)	Recurring reduction
Certifier crisis management events	Recs 3, 5	Earlier detection via accreditation surveillance and OOA monitoring	Frequency and severity reduced	Cost avoidance (probabilistic)
Per-market cost of bilateral equivalency negotiation	Rec 10	COROS alignment reduces bilateral desk assessment effort (Section 2.1(b))	Reduced per existing and new arrangement	Recurring reduction
Trading partner annual reporting	Rec 10	Single multilateral review replaces multiple bilateral reports	Reduced per arrangement	Recurring reduction
International forum representation	Rec 10	IFOAM Family provides standing recognition	Reduced	Recurring reduction
Cost escalation from new bilateral arrangements	Rec 10	Multilateral flattens incremental cost of new arrangements (Section 2.3)	Future cost growth moderated	Trajectory moderation

Table 8: Flow-on savings under OOA's proposals

Cost category	Driven by	Mechanism	Effect on CRIS cost base	Nature of saving
Shared departmental overhead allocation	Recs 3, 5, 8 and 10	Reduces proportionately as direct costs above are removed or reduced	Reduced proportionately	Recurring
FTE redeployment value	Recs 3, 5, 8 and 10	Released capacity redeployable to other DAFF programs	Resource flexibility dividend	Strategic (non-monetary)

Table 9: Retained costs under OOA's proposals—Sovereign Competent Authority functions

Cost category	Driven by	Mechanism	Effect on CRIS cost base	Nature of saving
Function auditing	Rec 7	Sovereign CA function	No change	N/A
OGC management oversight	Rec 7	Sovereign CA function	No change	N/A
Export certification issuance	Rec 7	Sovereign CA function	No change	N/A
Bilateral equivalency negotiation and maintenance	Recs 7, 10	Sovereign CA function—per-market cost moderated by multilateral pathway	Per-market cost reduced; function retained	Recurring reduction within retained base
Regulatory enforcement and sanctions	Rec 7	Sovereign CA function	No change	N/A

Part 3: The Organic Levy and Research & Development

OOA includes the following proposals for DAFF's consideration as complementary initiatives that sit outside the CRIS cost allocation methodology but not the Minister's exercise of discretion and which are relevant to the broader policy context of organic sector funding and sustainability. The organic levy proposal requires legislative amendments beyond the scope of the CRIS process; OOA presents it here to ensure DAFF has visibility of the industry's longer-term funding strategy and to demonstrate that OOA is actively developing mechanisms to transition services to industry provision—the direction that cost recovery policy implies.

The case for an organic specific levy

Organic producers currently pay commodity-specific levies (beef, dairy, horticulture, wine grapes, etc.) through the existing primary industries levy system. These levies fund commodity RDCs (Hort Innovation, Wine Australia, MLA, etc.) for R&D, marketing, and biosecurity. However, the levy collection system does not identify or record whether individual levy payers produce organic or conventional product. The RDCs cannot track organic producers' contributions and consequently cannot ensure R&D investment is relevant to organic production systems.

This structural deficiency was quantified over two decades ago in the RIRDC report *Organic Agriculture in Australia—Levies and Expenditure*, which found that total R&D expenditure on organic agriculture in Australia fell well short of the $656,200 collected from organic farmers in levies and Commonwealth matching contributions in 2000–01 alone. Organic producers' levy contributions effectively fund R&D for non-organic competitors—research into synthetic input optimisation, chemical pest management, and technologies prohibited under organic standards. This represents a market failure: organic producers are collectively funding public goods (standards, market access, R&D) from which they receive disproportionately low benefit.

OOA proposes the establishment of an organic R&D component within existing commodity levy instruments, triggered by the certified organic status of the product at the point of levy collection. The organic R&D component would be collected at the narrowest point in the supply chain and recorded in DAFF's Levies Online with the appropriate organic product class (e.g., buyer to select Wheat—Certified Organic, rather than Wheat—Standard). The organic R&D component would be directed to a dedicated Organic Program within AgriFutures Australia.

Certified organic products subject to the organic R&D component would be exempt from the standard R&D component of the applicable commodity levy, so that organic producers do not pay twice for R&D. This is consistent with the existing multi-component structure of commodity levies, where different components already go to different recipient bodies for different purposes. Implementation of the organic R&D component would require amendments to the relevant commodity-specific regulations under the *Primary Industries (Excise) Levies Act 2024* and the *Primary Industries (Customs) Charges Act 2024*, and corresponding amendments to the collection and

disbursement rules under the *Primary Industries Levies and Charges Collection Act 2024* and the *Primary Industries Levies and Charges Disbursement Act 2024*.

Proposed model: AgriFutures levied industry program

OOA proposes that organic agriculture be established as a levied industry program under AgriFutures Australia, governed by a dedicated Advisory Panel comprising organic producers, researchers, and supply chain experts, as the initial establishment pathway. This model provides immediate access to AgriFutures' existing administrative infrastructure, reduces establishment costs, and is consistent with AgriFutures' statutory role in supporting smaller and emerging rural industries under the *Primary Industries Research and Development Act 1989*. The Advisory Panel model is consistent with AgriFutures' established governance for its levied industry programs, including Chicken Meat and Rice. The full description of the framework proposed by OOA is detailed in its *Proposal for Organic R&D Levy Components and an AgriFutures Organic Program.*

As the Australian organic sector grows toward OOA's aspirational target of 25% organic agricultural land—a benchmark informed by comparable international commitments, including the European Union's Farm to Fork Strategy target of 25% organic farmland by 2030—OOA proposes a planned transition to an industry-owned company model, providing full industry control over governance and strategic direction. The establishment of the AgriFutures program demonstrates the collection mechanism, quantifies the revenue base, and builds the administrative track record that would be required before a standalone model is approved.

The organic R&D component would comprise two funding streams. The R&D stream would be directed to AgriFutures Australia to fund organic-specific research, development, and extension through the Organic Program, eligible for Commonwealth matching at a ratio of 1:1. An industry services stream would fund defined services for organic levy payers, including technical input into standards review and development, monitoring of labelling and certification integrity, biosecurity preparedness and crisis coordination for the organic sector, provision of technical information to government on organic regulatory and compliance matters, and data collection, benchmarking, and industry reporting. The governance and procurement arrangements for the industry services stream would be determined by AgriFutures through its established Advisory Panel processes.

The service value offset

While the government spends approximately $1.2 million to $1.5 million annually to regulate the organic export sector, the sector delivers public benefits valued at many multiples of this cost:

- **Biodiversity:** Over 2.65 million hectares of audited biodiversity protection. The NSW Biodiversity Conservation Trust reports a median annual payment of **$103 per hectare** for in-perpetuity conservation agreements (BCT, 30 June 2025), implying a replacement cost of approximately **$273 million annually**.
- **Carbon sequestration and emissions reduction:** Detailed in OOA's companion APVMA/OGTR submissions.
- **Avoided environmental remediation costs:** Organic production avoids the pesticide runoff, soil degradation, and contamination attributable to conventional farming inputs attributable

to environmental and health costs that the CSIRO/One Basin CRC report quantified at up to **$274 billion annually** for the food system as a whole.

Over 3,000 organic operators deliver this audited environmental protection at a cost to the taxpayer of **less than $2 million annually**—compared with the Agriculture Stewardship Package's allocation of **$32.1 million** to trial a biodiversity certification scheme for 140 farmers, designed to incentivise biodiversity management that certified organic producers already deliver. OOA proposes that the organic sector's contribution be reflected in the determination of cost recovery levels, whether through the cost allocation methodology or through the Minister's exercise of discretion under the *Australian Government Charging Framework*.

Part 4: General observations on the CRIS process

Consultation context

The CRIS implementation affects all agricultural sectors, and the organic sector faces the same consultation timeline as other industries. OOA notes that the impact of cost recovery on the organic sector is disproportionately greater than on larger commodity sectors, given the organic sector's small scale and the findings of the Deloitte and PwC analyses regarding the sector's limited capacity to absorb additional regulatory costs.

Equity considerations

The *Australian Government Charging Framework* recognises that charging should not "adversely impact disadvantaged Australians." The organic sector includes many small operators for whom increased regulatory costs may be prohibitive. DAFF has acknowledged that regulatory costs create "financial imposition on small operators" and could "result in a reduction in the number of farmers selling organic produce."

Against the program cost already identified (see Section 1.1), operator-level costs are already substantial. Producers pay private ACBs between $1,000 and $2,500 per year for basic certification, plus audit fees of $1,495 to $1,600 per day (plus travel), plus $70 to $120 per Organic Goods Certificate for each export shipment. For small operators, these represent a significant existing burden. Any additional cost recovery charges will compound it.

OOA is positioned to provide constructive guidance to DAFF on how to achieve the Minister's cost recovery objectives while maintaining a viable organic sector. The introduction of an organic R&D component within existing commodity levies, triggered by certified organic status, provides a mechanism for industry-directed funding that can be designed with appropriate flexibility and tiering for different commodity sectors (see Part 3).

Information requests and procedural matters

OOA has made a number of information requests throughout this submission, including: the functional cost breakdown of the Export Organic team (Section 1.1), the overhead allocation methodology (Section 2.8), and trading partner communications regarding Competent Authority standard ownership requirements (Section 2.1(a)). OOA requests that DAFF provide this information through the consultation process. OOA reserves the right to seek any information not provided through the consultation process under the *Freedom of Information Act 1982*.

Conclusion

OOA supports the principle that those who create demand for regulatory services, or who generate risks requiring regulatory management, should bear associated costs. However, cost recovery must be accompanied by genuine structural reform, and the cost base must reflect efficient delivery validated against international comparators.

The Canadian precedent is decisive. Canada's competent authority (CFIA) holds full equivalency with the US, EU, Japan, and all other major markets while the technical standard is developed and managed by the CGSB—a standards body, not the regulator. The standard is incorporated by reference into legislation, giving it regulatory force without the regulator bearing the cost of standards administration. Every element of the structural reform in OOA's proposal is operational in Canada. None of it is theoretical. OOA's proposal extends beyond the Canadian model through the IFOAM multilateral equivalence pathway (Section 2.1(b)), which reduces per-market negotiation costs, strengthens Australia's position in bilateral equivalency discussions, and provides recognition pathways for emerging markets at a fraction of the cost of bilateral negotiation.

The government's evidence base supports OOA's position. The Deloitte (2021) and PwC (2022) cost-benefit analyses—both commissioned by DAFF—found that additional regulatory costs on the organic sector would be significant and would likely be passed through the supply chain. The government's March 2023 decision not to proceed with domestic regulation was based on these findings. The same economic constraints apply to escalating export cost recovery charges.

OOA is providing clear and operationalised guidance for the support of organic agriculture in Australia and effective transition mechanisms to support change. OOA's submission aligns with the direction of Treasury legislation, the *Australian Government Charging Framework*, and Australia's international obligations under the WTO Technical Barriers to Trade Agreement. The co-regulation model proposed—consolidating the National Standard and AS 6000 into a single AS 6000 (Australian National Standard for Organic and Biodynamic Products), utilising Standards Australia's internationally recognised governance, leveraging the IFOAM multilateral equivalence framework, and retaining DAFF's sovereign Competent Authority functions—is proven, efficient, and operational.

OOA draws DAFF's attention to its companion submissions to the APVMA and OGTR, which address the broader fiscal context of organic production—including the internalisation of externality-related costs to the entities that create them, the carbon sequestration and emissions reduction benefits inherent in organic systems, and the remediation funding gap demonstrated by *Marsh v Baxter*. These submissions have been directed to the Ministers with portfolio responsibility and are relevant to DAFF's consideration to the extent that externality-related costs are currently embedded in the organic program cost base. Whether and to what extent such costs are embedded is contingent on the functional cost breakdown requested in Recommendation 4. Upon receipt of that breakdown, OOA will identify any externality-related costs for exclusion from the organic program's recoverable cost base.

OOA also notes that its work on risk disclosure guidance for certified organic agricultural entities (in consultation with the AASB working group) and its internal standards harmonisation work with

Standards Australia further support the structural coherence of the proposals advanced in this submission.

With the determination of the CRIS, OOA invites DAFF to engage with OOA's industry strategy toward co-regulation of the organic standard. The reality, confirmed by two DAFF-commissioned cost-benefit analyses, is that the organic sector's limited capacity to absorb additional regulatory costs is well documented. OOA's proposal reduces DAFF's cost base while preserving the sovereign functions that matter—and delivers a more efficient outcome for both government and industry.

OOA requests that the Department engage constructively on the structural reforms proposed in this submission before proceeding with cost recovery implementation.