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REGULATORY FRAMEWORK FOR THE AUSTRALIAN DOMESTIC ORGANICS MARKET

The Australian Retailers Association (ARA) welcomes the opportunity to contribute to the Federal government's consultation in relation to the regulatory framework for Australia's domestic organics market. We also thank you for including the ARA in the consultation process conducted by PwC in January 2022.

The ARA is Australia's oldest, largest and most diverse industry retail body representing two-thirds of a \$360 billion sector that employs 1.3 million Australians. Our members have over 100,000 shopfronts across the country and operate across all retail categories - from food to fashion, hairdressing to hardware, and cosmetics to computers.

We are proud to represent a broad cross-section of the Australian retail community, from our largest national and international retailers to our small and medium sized members - who make up about 95% of our membership.

Given the continued growth in organic products within food categories (and now into non-food categories as well) a fit-for-purpose regulatory framework for this growing market is an important issue for the ARA and an increasing number of our members.

As the size of the organics market continues to grow, it is important that government strikes the right balance in terms of regulation - with just enough to ensure consumer confidence but not so much that the cost of compliance becomes a barrier to market entry and growth.

The ARA's position is that this light-touch regulatory framework is essential to increasing confidence in mandatory and voluntary accreditation schemes, encouraging mainstream adoption of organic produce and products, and ensuring the ongoing viability of the growing organics market in Australia.

The government has recognised the importance of increasing confidence and uptake of organic products if the market is to continue growing. Its consultation has focused on the:

- Current size of the domestic organics market;
- Current regulation of organic producers and processors within Australia;
- Potential export markets for organic goods; and
- Balance between potential regulatory and non-regulatory approaches.

Consultation with our members identified the following requirements for an improved regulatory framework for Australia's organics market.

- A commonly-accepted definition for the term 'organic' is essential. A strong, clear and concise definition will reduce the need for onerous regulation and mandatory accreditation.
- Any definition developed should enable the use of overseas standards. This alignment is critical to the future growth of the Australian organics industry with expansion into key export markets resulting in lower prices for Australian consumers.
- Any definition should reflect the growth of the organic market, to cover both food and non-food categories like apparel, beauty, homewares and household goods.

The ARA's position is that this definition should be referenced within an existing instrument, like the Australian Consumer Law (ACL). This would place an onus on suppliers to ensure products sold as organic meet community expectations. Inclusion within the ACL will also enable the enforcement of the definition for organics and options for consumer concerns. The ARA does not believe that the regulation of the organics market requires its own instrument.

Regarding the adoption of mandatory or voluntary standards by organics producers, the ARA does not have a stated preference.

However, to build and maintain consumer confidence, any standard a supplier elects to use must meet the commonly-accepted definition of organic, should align with trusted overseas standards where possible, and should not impose a high compliance cost on suppliers that result in higher prices for organic produce and products with organic inputs.

Thank you again for the opportunity to contribute to improving Australia's domestic organics regulatory framework. Any effort to increase consumer confidence and uptake of organic products, while also reducing the regulatory burden on organics producers and suppliers, would be welcomed by the ARA, our members and the Australian retail community.

Yours sincerely



Paul Zahra
Chief Executive Officer