

ECR-2025-2006

	National Organic Standard						
Party: The Coalition	Party:	The Coalition					

Summary of proposal:

The proposal would provide \$1.6 million over 4 years and \$0.4m ongoing for additional staff to implement a legislated domestic National Organic Standard (the Standard), equivalent to the current *National Standard for Organic and Bio-Dynamic Produce* which applies to exported goods.

The Standard would apply to the domestic industry and give legal force and obligations to producers when using the word/label 'organic'.

The proposal would be ongoing and start from 1 July 2025.

Additional information (based on further advice provided):

The Standard would be administered by the Department of Agriculture, Fisheries and Forestry (DAFF) with an additional 0.5 full time equivalent staff and the Australian Competition and Consumer Commission (ACCC) with 1.5 full time equivalent staff managing consumer education and complaints related to the Standard.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by \$1.6 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

The proposal is sensitive to costs related to the implementation and enforcement of the Standard. Unanticipated costs such as legal costs arising from test cases against the Standard or its enforcement and higher than expected consumer complaints have been considered but not modelled for this proposal.

Table 1: National Organic Standard – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-0.4	-0.4	-0.4	-0.4	-1.6
Underlying cash balance	-0.4	-0.4	-0.4	-0.4	-1.6

⁽a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

⁽b) PDI impacts are not included in the totals.

Key assumptions

The PBO has made the following assumption in costing this proposal.

- The additional staff will maintain and update the Standard, audit accreditation bodies and action consumer complaints.
- Other set-up costs associated with establishing the Standard would be met from within existing departmental resources.

Methodology

The costs of this proposal were based on the specified additional staffing profile required to deliver the proposal. Staffing costs were calculated using the PBO's departmental cost calculator.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

¹ https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

Attachment A – National Organic Standard – Financial implications

Table A1: National Organic Standard – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Total – departmental	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-4.4
Total (excluding PDI)	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-4.4

⁽a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: National Organic Standard – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance				-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-1.2
Underlying cash balance				-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-1.2

⁽a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary.²

⁽b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

^{..} Not zero but rounded to zero.

² Online budget glossary – Parliamentary Budget Office (pbo.gov.au)