



Issues Paper

Developing a roadmap for Australia's organic industry

*Understanding the views of organic producers, certifiers
and traders about the future leadership of their industry*

20 August 2017

Policy Partners is a team of experienced researchers and consultants with experience and expertise in the delivery of complex projects involving collaboration across multiple stakeholders from industry, government and the private sector.

We specialise in policy, strategy, research, economics and performance. We are experienced in the design and management of projects focused on industry development and reform in the public sector.

We have national and international experience in agriculture, NRM and environmental policy work and program design. Our approach and project teams are tailored to meeting our clients' needs.

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Introduction

This project

Policy Partners Pty Ltd is seeking the views of organic producers about the future leadership of their industry.

Regional consultations are part of a project to produce a roadmap for the industry. One possible path in that roadmap is the creation of a new national peak body to provide a harmonised voice for the organic industry.

This issues paper has been prepared to guide the conduct of the regional consultations. This paper poses many questions, framed around seven themes:

1. Value creation and a compelling business case
2. Membership and corporate structure
3. Standards and integrity
4. Market access
5. Improving R&D coordination and innovation
6. Planning for growth and industry development
7. Review of the *Export Control Act*

The objectives in the consultations are to:

- explain the project and process to organic producers in a range of regional locations
- understand what the views are of a broad cross-section of organic producers
- gauge the likely support for a new peak body—both political and financial support
- determine whether there is a preferred model for a possible new peak body
- determine the speed of reform that organic producers might be comfortable with

Further information about the project can be found at www.organicindustries.com.au

Industry coordination

This project has been initiated by the Australian Organic Industry Working Group (AOIWG)—industry leaders from across Australia who are collaborating with a view to establishing a harmonised national voice for all organic producers, certifiers and the supply chain.

It is envisaged that this project may result in a new national representative body that will be the voice of organic industries at national and state level and that promotes viable and sustainable industries with broad representation from all sectors.

To make sure that any representative body has broad support, the project aims to have industry-wide consultation and communication, and the involvement of all levels—from small boutique producers to major exporters and the organic certifiers.

It is critical that we understand the needs of the whole sector and the value that a representative body may be able to provide to its future members—so we want to hear from the many voices across all of Australia's diverse organic industries.

About the Working Group

In its initial phases, the project is being guided by a working group of producers and certifiers—the AOIWG.

These businesses have committed time and financial resources to progress the project to this point. The working group has also been engaging with the Australian Government to seek its support for the project.

One objective of this stage of the project is to consider how the working group could evolve to become more representative of Australia's diverse organic industries.

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Issue 1: Value creation and a compelling business case

For a new peak body to be sustainable, it must launch and maintain a compelling business case which generates real and continuing value for its members. There must be a strong support base—one which generates financial contributions from members and the goodwill of stakeholders.

Value is generated to members through providing services and functions. Many of the benefits from these services and functions will also flow to stakeholders—the potential members and supporters.

Both financial contributions and goodwill can disappear rapidly unless the peak body continually delivers more in services and functions than its running costs—the organisational objective should be to maximise the net value created.

Net value can be created through the efficient provision of standard services; but long lasting value creation normally requires results-oriented actions and achievements around issues of key importance to members and stakeholders.

Having a clear value creation story is centrally important to determining the functions and services, scope and charter of the new peak body. By clarifying the options, the possible form and governance of the new body will also become clearer.

The proposed business model should be ‘bench tested’ to provide confidence to those who need to sign-on or sign-over to the new entity. The testing needs to be robust to provide the assurance needed.

Key issues

- 1) Why form a peak body for Australia’s organic industry?
- 2) What could be its mandate, scope and boundaries?
 - a) Broad—e.g. promote biodiversity, resilient communities, farm to table, environment benefits
 - b) Narrow—just focused on certified organic production?
 - c) Inclusive—provide pathways for noncertified and organic-related producers to become certified
- 3) Who would be the members?
- 4) What functions and services could it deliver?
 - a) Whole of industry vision and priority-setting
 - b) Policy development and position statements
 - c) Advocacy
 - d) Research and development strategy and engagement with RDCs and researchers
 - e) Industry support
 - f) Compliance
 - g) Education
 - h) Marketing
- 5) How would it be funded and achieve financial sustainability?
- 6) Who could fund the start-up and drive the creation and establishment of the peak body?
- 7) What does success look like?

Issue 2: Membership and corporate structure

There are no specific prescriptions for the structure or mandate of peak bodies. For example, the NFF claims to be the “*peak representative body for Australia’s 140,000 farmers and the wider agricultural sector ... recognised as the respected voice of Australian agriculture. Five years ago, we underwent a membership restructure, acknowledging that for agriculture to achieve the outcomes it needs, it must have unity and collaboration.*” (see <http://www.nff.org.au>)

Within Australia’s primary industries sector, there are also many peak bodies with more specific mandates for commodities or parts of a supply chain—e.g. specific commodity specialists like the Cattle Council of Australia (<http://www.cattlecouncil.com.au>), the Apple and Pear Growers Ltd (<http://apal.org.au/>) and the Australian Dairy Industry Council (ADIC), which is funded “*by the 13 largest dairy processing companies in Australia and provides funding for investment in projects that aim to improve the entire value chain’s sustainability and profitability.*”¹

There are many different membership structures. The new Seafood Industry Australia has tiered membership categories, with different fees depending on the size of the organisation and voting rights. SIA has also incorporated many innovative design concepts within its corporate structure. For example, SIA notes that its Board governance “is different from the traditional ‘representative’ approach to board structure and governance. It is designed as a strategic and skills based board to provide maximum flexibility and responsiveness to achieve outcomes for its members”.

A summary of SIA’s corporate structure is provided at [Attachment A](#). This summary is provided not as a recommended structure; rather as an example of some innovative approaches to promote discussion within the organic industry of alternative approaches to corporate governance.

National representation and lobbying requires specific skills and resources. These involve the cost of running an office and the employment of specialist policy analysts and lobbyists etc. Sometimes these kinds of organisations are highly visible in the media, but effectiveness is not always dependent on public profile or media presence. Often peak bodies are effective by ensuring policy formulation is positive for a sector; at other times, they try to minimise adverse impacts of policies. They try to influence the community and governments through engaging in various kinds of lobbying and representation, including presenting at inquiries, agenda setting and responding to specific reform proposals.

There are no set formulas about how to structure peak bodies—each form is designed to suit its functions. Multiple types of organisations exist, each with specific charters and constitutions. Peak bodies normally have a clear mandate (charter or objectives), constitution and protocols on who can speak on behalf of the organisations in the industry. They will have a governing body, establish policy positions, and develop ways of reaching broad industry positions on issues.

Through its engagements with the AOIWG, the Commonwealth Government is explicitly seeking the development of formal channels for dialogue—so the organic industry needs an organised framework to raise, discuss and present its views. By failing to do so, the organic industry risks being ignored and will reduce its opportunity to obtain value from all governments.

¹ <http://www.australiandairyfarmers.com.au/australian-dairy-industry-council>

Key issues

- 1) What structural options are possible?
 - a) Council of certifiers and other organisations
 - b) Direct membership
 - c) Alliance—scaled membership
 - d) Research and Development Corporation (RDC)
 - e) Other?
- 2) How can these options be assessed?
- 3) What should be the timing for creation of the peak body?
- 4) What can be used as key success criteria?

Issue 3: Standards and integrity

Standards in general are rules about how products are produced (standards for the process of production), or about specification of final products (standards for the product per se). In the case of organic agriculture, standards are about the farm management system, and are therefore process standards. Because of this it is not sufficient to test the product in a laboratory, but the whole farm system needs to be checked and certified.

Such standards serve several purposes. They:

- prescribe to growers what is allowed and not allowed to be practised or used in growing the crop and stock, and provide details about inputs allowed or disallowed;
- prescribe to others in the food chain, such as processors, transporters, importers and exporters, which processes and substances are allowed in the pursuit of their activities;
- indicate to consumers how organic products are produced;
- allow legislators and regulators to facilitate compliance through regulation.

Many stakeholders have identified the issues around the integrity of the Australian organic standards as being critically important to the future of the industry. These are therefore issues that need to be given consideration in the process of consulting on a peak body.

Central to the success of Australia's organic industry, is the need to have a credible system of standards (development, enforcement, compliance etc) and ways to ensure that there is a system with high levels of integrity (high compliance, minimal fraud, strong consumer recognition etc). Without these outcomes, there is an erosion, or potential erosion, of trust and confidence.

Regulations pertaining to the production, import, export and sale of products claiming "organic or bio-dynamic" status are present in all three levels of Australia's governments, as well as in case law. The treatment of organic products under Australia's federal legislation is different depending on whether the organic products are destined for export or the domestic market. While the export of organic products is captured directly under Australia's export legislation, organic goods produced for the domestic market and imported organic goods are captured indirectly through overarching legislation and regulation for foodstuffs.

There are two main standards for organics currently operating in Australia:

- the National Standard for Organic and Biodynamic Produce, which is used as the mandatory export standard under the *Export Control Act 1982*; and
- the Australian Standard for Organic and Biodynamic Products (AS 6000), which is a voluntary standard in the domestic market.

The Organic Industry Standards and Certification Council (OISCC) oversees all matters pertaining to standards and certification for the organic industry—both domestically and for export.

In addition, there is an extensive regulatory system in place which provides guarantees in food chain integrity. For example, the current arrangements for importing food products labelled as organic or bio-dynamic into Australia allow trade to occur freely, provided that:

- all quarantine requirements are met (*Biosecurity Act 2015*); and
- all imported food safety requirements are met (*Imported Food Control Act 1992*); and

- the goods are truthfully labelled (*Australian Competition and Consumer Act 2010*).

More detail is available in [Australian Legal Framework for the Import and Export of Organic Products](#).

Key issues

System integrity

- 1) How could Australia's standards system achieve greater integrity?
- 2) Are the organic standards arrangements effective and efficient?
- 3) Is another model of coordination required? Would this be a role for the new peak body or would it be better done separately?
- 4) Do current arrangements for standards provide confidence for domestic consumers and businesses?

Harmonisation of standards

- 5) Do current arrangements work to assist certifiers harmonise standards?
- 6) Are there adequate arrangements for operators to interact, direct, or hold to account individual operators/certifiers in current framework?

Risk exposure

- 7) Are current standards frameworks adequate or are they exposed to fraud, undue influence and undisclosed conflicts?

Issue 4: Market access

The Government has a critical role in removing or lowering technical barriers to trade and reducing tariffs through free trade agreements, improving bilateral trade relations with key export markets, and being active in the World Trade Organization to reform global agriculture trade rules and to reduce unfair subsidies provided to producers in other countries.

All countries have the right to implement systems and standards that protect their human, animal and plant health and food safety. However, countries are required to minimise trade distortions and must not breach international trade obligations. Some standards, such as excessive quarantine and food safety requirements, can also constitute unnecessary barriers to trade.

Technical requirements can make it difficult for producers to get their products ready for export. When requirements are overly complicated or standards are unnecessarily high, they can affect or even stop, agricultural trade. Technical negotiations between governments are often needed to reduce these barriers and to open or maintain access for specific commodities.

The costs and administration of multiple audits can be a key barrier to entry to markets. While there are premiums to justify the effort, much of that premium margin can be eroded through additional compliance.

WTO Technical Barriers to Trade Agreement: forms of market access

Harmonisation

Countries agree on a common international standard, usually under the standard setting framework of the International Standardization Organization. WTO Members are encouraged to use existing international standards for their national regulations, or for parts of them, unless “their use would be ineffective or inappropriate” to fulfil a given policy objective (Article 2.4).

Equivalency

Given how long and difficult it is to obtain harmonisation, countries accept that technical regulations different from their own fulfil the same policy objectives, even if through different means (Article 2.7).

Mutual Recognition

Countries agree to accept the results of one another's conformity assessment procedures, although these procedures might be different (Article 6.3)

Conformity Assessment

Countries apply their own assessment of conformity with their technical requirements “in a manner no less favourable than that accorded to like products of national origin and to like products originating in any other country” (Article 5.1.1)

From 2012, the European Union and United States implemented an organic equivalence arrangement, whereby their respective countries' certified organic products can be represented as such across the Atlantic. Among its aims are the reduced administrative burdens and new possibilities for trade on both sides. Previously, operations that wanted to trade products on both sides of the Atlantic had to obtain separate certifications to both standards, which meant a second set of fees, inspections, and paperwork.

The European Union has also recognised eleven other third countries (including Australia) as having equivalent organic production rules and control systems.

Australian certifiers also have some reciprocal arrangements in place with certifiers in other countries, whereby the domestic certifier can offer certification to organic standards in the export country—for example, see [Australian Certified Organic](#).

Beyond market access, it is industry's responsibility to convert opportunities into business outcomes—including by marketing its own products. Industry branding has the potential to build on the strong reputation among overseas buyers of Australian agricultural commodities, and consumers of products such as Australian wine, red meat and dairy products. This would help link perceptions of Australian food to the unique strengths of Australia's agricultural production and biosecurity systems, and clean environment.

The ability to increase agricultural exports depends on Australia's favourable animal and plant health status, the integrity of our food safety systems and our ability to meet importing country requirements and certify products for export. Modernising existing traceability systems could enable quicker trace-back to the point of origin to identify the source of disease, residue, contamination or any other problem that becomes apparent; and therefore increase confidence in Australia's organic exports.

Key issues

- 1) Is the Government doing enough to reduce trade barriers and improve market access for Australian organic exports? What role could a peak body play?
- 2) Do current arrangements for standards facilitate efficient exports? Do they provide opportunities for overseas markets to exclude Australian organic exports?
- 3) Do current arrangements for standards provide confidence for overseas consumers and businesses?
- 4) Does the current system of standards (inspections, audits, certification and accreditation) meet the needs of producers, processors, operators and exporters? If not what needs to be improved?
- 5) Does the industry have a brand that facilitates market access?
- 6) What role can technology play in promoting Australian organic exports and improving market access?

Issue 5: Improving R&D coordination and innovation

Australia's organic industries are diverse, spanning bioregions, industry types with many kinds of products and production systems, ranging through all kinds of intensive horticulture to rangelands beef production or cosmetics, through to ciders, wines and spirits. It involves value-added and manufactured products to large-scale broad acre commodity production of pulses and grains.

This diversity poses several major issues, including how to organise and coordinate R&D and sponsor innovation. These issues need to be considered in the context of Australia's established system of R&D levies and rural industry R&D Corporations. The Government has indicated that the creation of new organic focused RDC should be seen as a last resort, so it will first be necessary to find other ways to influence and enhance coordination across existing agencies.

Australia has well-established systems for aggregating funding and coordinating rural R&D organised around the rural R&D corporations model, which are organised around key commodities—like grains, meat, dairy—or lumped under broad entities like Horticulture Innovations. Organic growers pay R&D levies like other producers, but OFA claims that organics are missing out because *“There is no co-ordinated industry plan or approach to R&D, and extremely limited sources of information for prospective research stakeholders. We are forfeiting potential access to RDC research, Government grants and a voice at RDC table by not having an effective peak body.”*

The nature of rural innovation systems is well understood in theory. Agri-food R&D tends to be publicly organised and funded because of the structural characteristics of agricultural industries with very many separate players. Despite the image of independence, few farmers make decisions in isolation because they are in fact part of a complex systems—involving know-how, technology, information and the value chain from plant breeders through to retailers in export markets—so while organic industry growth may appear attractive, ongoing innovation and R&D is needed to support a sizeable shift to organic farming practices.

Targeted R&D could be useful in overcoming constraints to growth in organic production, including through: reducing risk and uncertainty; enhancing expertise and skill and high quality technical advice; overcoming specific technical and production constraints; improving market information flows and strengthening market signals; and providing the analysis needed to help formulate more supportive policies.

A peak body may be useful in playing a role in coordinating the relevant agricultural agencies and RDCs, through facilitating greater flows or exchanges of information on R&D needs and capacity to satisfy these needs in ways that would ultimately improve organic production farming systems and value chains. By coordinating and communicating specific industry R&D needs to the commodity RDCs, the RDCs may focus R&D projects on the specific constraints or factors limiting expansion of organic production in their respective sector. While there are many agencies that could potentially be involved in organic R&D there are potential benefits that would flow from a coordinated national program.

Key issues

- 1) How can R&D on organics in Australia be enhanced? Should coordinating processes and catalyzing R&D be a function of a new peak body?
- 2) Should a peak body aim to coordinate R&D by, for example, commissioning scoping studies, feasibility studies or initiating processes joint venture organic R&D with existing RDCs and other research bodies?

Issue 6: Planning for growth and industry development

Peak bodies often play key roles in promoting growth and industry development, other than through lobbying governments. At present, industry development and promotion of Australian organics is fragmented, yet the industry has still grown. A key issue is determining what role a new peak body could play in promoting growth and further industry development.

Australia's organic industry is growing strongly, but it still only constitutes a minor part of Australia's total agricultural production (\$64 billion [ABARES](#)). In 1995, domestic sales of organics were estimated at \$100 million; and by 1999, \$250 million (Alexandra and May 2004)². The latest [Australian Organic Market Report](#)³ indicates that Australia's organic industry could exceed \$2 billion in value of sales by 2018. Along with strong growth, the Australian Organic Market Report identifies that:

- the number of certified organic operations in Australia grew by 5% in 2016
- tonnage of organic products exported from Australia grew by 17% across a range of commodity and product types
- organics is a dynamic in the health and wellness packaged food market

The report identified that, in 2016, Australia's organic industry consisted of 2,075 certified organic producers, 1,163 certified processors and 513 certified handlers. Australia has 53% of the world's organic farmland by area, due to large areas of pastoral lands. The total value of Australian organic market in 2015 is estimated at over AU\$1.7 billion (includes post farm gate value add) with the domestic Australian consumer market estimated at about AU\$1.4 billion exports estimated at over AU\$300 million.

Supporting this growth trajectory, or facilitating its acceleration, could be part of the mandate of a new peak body. Sometimes a communication hub linking actors along value chains is valuable. Sometimes active promotion within sectors and markets is needed to overcome constraints to growth. Sometimes there are issues with scale, investment, regulations and specific marketing that a peak body can help overcome.

*"The market research company Organic Monitor estimates the global market for organic food in 2014 to have reached 80 billion US Dollars (more than 60 billion Euros). The United States is the leading market with 27.1 billion Euros, followed by Germany (7.9 billion Euros), France (4.8 billion Euros), and China (3.7 billion Euros). In 2014, the Swedish organic market experienced an unprecedented growth, increasing by more than 40 percent—a remarkable rate for an already well-established market. The highest per capita spending was in Switzerland (221 Euros) and Luxembourg (164 Euros)."*⁴

² Australian Organic Agriculture –Prospects for Growth? A report for the RIRDC Jason Alexandra and Rod May available at <https://rirdc.infoservices.com.au/items/03-112>

³ The full report can be downloaded at <http://austorganic.com/ao-market-report/>

⁴ <http://www.fibl.org/en/media/media-archive/media-archive16/media-release15/article/bio-waechst-weiter-weltweit-437-millionen-hektar-bioflaeche.html>

Key issues

- 1) What kind of future growth is possible in Australia?
- 2) If the industry has been able to grow without a peak body facilitating that growth, there needs to be careful consideration of how a peak body could enhance industry growth. How could a new peak body be effective in promoting growth and industry development?
- 3) Can you provide examples, analysis and case studies describing specific examples of where a national peak body coordinating a campaign focused on industry growth (problem solving or opportunity seizing) could enhance the industry's growth prospects?

Issue 7: Review of the *Export Control Act*

Agricultural exports are primarily regulated through the *Export Control Act 1982*, the *Australian Meat and Livestock Industry Act 1997*, and several supporting legislative instruments that set conditions that must be met to export certain goods.

The *Export Control Act* provides the legal basis for the regulation of exports and enables the department to set conditions that must be met to export certain goods from Australia. These conditions include standards for preparing, packaging and handling goods, transportation and registration of export establishments.

Australia's regulation of organic exports under the *Export Control Act* is unique in that it is based on parameters of quality of production and not sanitary/phytosanitary concerns.

Every organic product exported from Australia requires a government certificate irrespective of the importing country requirements. Under the *Export Control Act*, all product to be exported that is organic is a 'prescribed good' and therefore requires a government certificate before it can leave the country.

In the absence of specific domestic regulation for organic production, the export regulation of organics has become the default domestic regulation of the sector. This was not the intention or purpose of an export regulatory system.

Where conformity assessment requirements are in place there is no market access to be gained by Australian certification. For example, to export to the US, producers need to meet the requirements of both the National Standard (to export from Australia) and the US government requirements (to enter the US). Australian certification bears no weight and has no relationship to the ability of the product to enter the US in this instance. In addition, Australia's manual certification process can delay the export process.

A further issue is the requirement for government certificates when there are no importing country requirements to meet. A review of the certificates issued in the first three months of 2016 indicates that Australian organics products now reach more than 50 markets, many of which do not have importing government requirements for organic product.

The *Export Control Act* is subject to a sunset clause, such that it will expire after 30 June 2020. The Government is about to commence a review of the Act to determine what action it should take (if any). Given the different treatment applied to organic exports in the Act, the Government will undertake a separate review process specific to the organic industry. The review is expected to report by no later than 30 June 2018.

The review will take the form of a regulation impact assessment, set out in the [Australian Government Guide to Regulation](#), which prescribes methods for measuring the benefits and costs of the regulation and sets questions which need to be answered to justify a regulation:

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

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

The key period for influencing the review will be over the next few months before December 2017. The Government expects that the organic industry will lodge a submission and participate in consultation sessions.

Key issues

- 1) If the *Export Control Act* were to cease, what would be the implications for the organic industry?
- 2) Do the benefits of the *Export Control Act* and associated regulations outweigh the costs of regulation?
- 3) Should the organic industry consider self-regulation, or is Government regulation of critical importance?
- 4) What are the key messages that the organic industry should give to Government as part of this review?
- 5) How should the organic industry participate in the review?

Attachment A: Seafood Industry Australia

This summary corporate structure for Seafood Industry Australia Limited (SIA) is provided as an example of an innovative approach to the design of Australia's newest primary industries peak body. It is not a recommended structure.

One purpose of industry consultation is to understand what aspects of corporate structure may best be suited to the organic industry.

Context

SIA was created as a new national peak industry body in 2017. SIA's formation was the outcome of a two-year process involving consultations and commitments by seafood businesses and organisations from across Australia.

Seafood businesses agreed that there is a need for and value in forming an influential national body to represent the whole seafood industry on national and international issues. Before SIA was formed, 95 businesses, organisations and individuals had already pledged to become financial members.

SIA has been incorporated as a company limited by guarantee—this is a form of public company typically used for non-profit organisations. A company limited by guarantee does not have shares—instead, a member guarantees the obligations of the company in the event of a winding up, up to a capped amount of \$10.00 per member.

Membership

Membership of SIA is open to individual businesses, seafood industry associations and individuals from all sectors of the Australian seafood industry. It was designed as an inclusive organisation which provides avenues for all members to become involved and achieve better outcomes for the Australian seafood industry.

SIA has tiered membership categories for members, with different fees depending on the size of the organisation and voting rights.

MEMBER CATEGORIES	ANNUAL REVENUE	ANNUAL FEE
Voting members		
Largest business	>\$50m	\$20,000
Large business	\$5—50m	\$10,000
Medium business	\$1m—5m	\$2,000
Small business	<\$1m	\$1,000
Large association/ industry sector	\$150k—1m	\$5,000
Small association/ industry sector	<\$150k	\$2,000
Non-voting members		
Individual member		\$300
Affiliated/ allied small business	N/A	\$1,000
Affiliated/ allied large business		\$10,000

Objects

The primary objects of SIA as set out in its constitution are as follows:

1. to be the national peak body for the Australian Seafood Industry;
2. representing and furthering the interests of the Australian Seafood Industry with respect to both national and international issues affecting Members;
3. to work to increase the value of the Australian Seafood Industry;
4. to actively promote the good reputation of the Australian Seafood Industry;
5. to create and maintain an Australian Seafood Industry that is regarded by its participants and recognized by Members and others to be unified, effective and respected;
6. to foster understanding and unity within the diverse Australian Seafood Industry;
7. to inform and influence government and regulators, including working with government at all levels to ensure that the interests of the Australian Seafood Industry and Members are fully represented with respect to the design and implementation of public policy;
8. to be prepared for and responsive to current and emerging issues that have a national and sector significance for the Australian Seafood Industry;
9. to advocate and encourage sustainable practices within the Australian Seafood Industry to protect the environment;
10. to provide an advisory forum for all Members to engaged with the Company in its capacity as the peak body for the Australian Seafood Industry;
11. to promote improved communication, education and technology transfer to the Australian Seafood Industry through state associations, sector bodies and other appropriate avenues; and
12. doing all such things as are incidental or conducive to the attainment of all or any objects of the Company set out above.

Board renewal and rotation

A director of SIA will hold office for a term of three years and be restricted to a maximum of two terms (being a total of 6 years).

The initial board of seven directors will begin a rotation process from the second AGM with two directors retiring to provide an opportunity for new persons to be considered for appointment to the board.

A Selection Committee will be responsible for the selection of directors based on a skills matrix to be determined by the SIA board from time to time. The Selection Committee will consist of a director (acting as chair of the committee) and four SIA members, appointed by the SIA board. All SIA members will be invited to nominate candidates for appointment as directors to fill any vacancies that arise over the course of the year and/or as part of the rotation process. The Selection Committee will determine whether those candidates (along with any other candidates identified by the Selection Committee) possess the requisite skills and expertise to fill the vacancies on the board.

Following their deliberation, the Selection Committee will make two nominations for each vacancy on the board and the election of new directors by the members will occur at the next AGM.

Members advisory forum

A full Members Advisory Forum that is open to all members will be held annually, in conjunction with the Annual General Meeting. These forums will provide an opportunity for members to voice their thoughts on key issues facing their individual sectors and the larger seafood industry. This advice and comment will assist SIA to prioritise its action plan and establishment of policies.

In addition, SIA will hold a Members Advisory Forum the day prior to each board meeting. The location of each Board meeting will initially rotate between each Australian capital city.

Rights of members

Members will have the following key rights:

- Annual General Meetings—all members can attend and participate in the AGM (only voting members will be eligible to vote on AGM matters as per membership structure).
- Members Advisory Forum—All members will have the right to equally participate in the Members Advisory Forum to advise and assist in SIA’s strategic direction. As mentioned above, where possible a Members Advisory Forum will be held in conjunction with the timing of SIA board meetings including the AGM.
- Director nominations—all members have the right to nominate candidates for election to the board of directors in accordance with a selection committee process.
- Communications—members will receive regular updates on SIA’s progress and outcomes.
- Governance—members will receive a copy of the SIA annual report including a set of audited financial accounts.