



30 April 2021

Mr George Christensen MP
Chair
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr Christensen

Submission to the Inquiry into the Prudential Regulation of Investment in Australia's Export Industries

The Red Meat Advisory Council (RMAC) welcomes the opportunity to provide a submission to the Joint Standing Committee on Trade and Investment Growth (the Committee) on the inquiry into the Prudential Regulation of Investment in Australia's Export Industries.

RMAC is a federation of Australian red meat and livestock national employer associations and commodity representative organisations. RMAC members are prescribed industry representative bodies under the *Australian Meat and Livestock Industry Act 1997*, including the:

- Australian Livestock Exporters' Association,
- Australian Lot Feeders' Association,
- Australian Meat Industry Council,
- Cattle Council of Australia,
- Sheep Producers Australia, and
- Goat Industry Council of Australia

RMAC supports the Committee's inquiry into challenges for export industries arising from changes in prudential standards and practices across banking, insurance and superannuating institutions. While the impact of non-regulated changes in standards has been limited in our industry to date, we are deeply concerned of further contagion of the issue spread by extreme anti-farmer and anti-meat activists.

Contribution of the Australian Red Meat Industry

Australia's red meat industry is comprised of more than 77,000 businesses operating across the supply chain, including producers, lot feeders, manufacturers, retailers and livestock exporters. The red meat and livestock industry collectively services 25 million Australians and over 100 export destinations every day with safe, high quality and nutritious red meat.

Accounting for nearly a quarter of the global red meat trade, Australian livestock production and red meat manufacturing are national export success stories. Australia is the largest exporter of sheepmeat and goat meat, and the second-largest beef exporter after Brazil in 2019. Australian red meat and livestock exports, including co-products, have increased by 41 per cent from 2013–14 levels to a total of \$17.2 billion in 2018–19.

With combined annual sales of \$28.5 billion, red meat production is also an industry in growth. In the last recorded year, annual industry turnover grew at 7 per cent, supporting an Australian workforce of more than 434,000 people. The industry's world-renowned reputation for product quality has led to increased demand for Australian meat and livestock in important growth markets. By 2030, industry aims to double the value of Australian red meat sales as the trusted source of the highest quality protein.

Access to Financial Services

As the economic backbone of regional Australia, 90 per cent of meat and livestock industry employees live in rural and regional areas. The 434,000 strong Australian meat livestock industry workforce is at the forefront of the nation's regional economic recovery from the COVID-19 recession. Ongoing unimpeded access to the provision of financial services to meat and livestock businesses is essential in supporting the nation's regional economic recovery.

RMAC is conscious that the significant difficulties in gaining access to financial services other law-abiding exporting industries have experienced is starting to emerge in the meat and livestock industry. The well-resourced anti-farmer and anti-meat activist lobby, Animals Australia, is already openly calling for non-regulated changes in banking practices. The below website excerpt outlines the extreme activist agenda which seeks to prohibit access to financial services by law-abiding Australian red meat and livestock businesses.

"While many banks have policies on investing in industries such as tobacco and coal, most of them don't take animal welfare into account in any meaningful way when choosing who gets their financial support. This means there's nothing stopping them from lending to cruel animal industries — using your money." – Animals Australia¹

Fuelling this agenda within Australia is a highly-coordinated international network of anti-farmer and anti-meat extremist organisations. United Kingdom based organisation, Feedback, is one such group that seeks to "build coalitions with other civil society groups, mobilising activists around our agenda". The below excerpt from a Feedback report covered by an Australian media agency is an example of the extreme agenda pursued against law-abiding businesses.

In this report, Feedback exposes the sheer scale of the global financial fodder behind meat and dairy corporations and reveals how high street banks, global investors and pension funds are bankrolling destructive livestock corporations. - Feedback²

These misinformed campaigns do not recognise that Australia is the only major exporting nation to require in-market traceability, control and animal welfare standards for Australian live cattle, sheep and goat exports. Furthermore, the use of selective information fails to recognise that red meat livestock green house gas emissions have fallen by 56.7 per cent since 2005, representing the most significant reduction by any Australian business sector.

Without sufficient access to financial services, Australia's red meat and livestock industry will suffer from a lack of large-scale investment in systems and processes, missing opportunities to build enabling capabilities to compete internationally on a price or differentiation basis. If left unaddressed, the financial viability of Australia's red meat and livestock industry risks being ransomed to extreme activist agendas.

Long-term confidence in accessing financial services is fundamental to support industry investment protecting existing jobs, and creating new jobs for Australians. To improve confidence within industry, RMAC suggests the Committee consider recommendations that would guarantee access to financial services for law-abiding business. Measures that will enhance long-term confidence in providing financial services will support greater industry investment and job creation. RMAC recommends the Committee consider measures such as:

- the Commonwealth Government ceases commercial dealings with financial service providers that don't support law-abiding businesses;
- the Commonwealth Government issues a statement of intent to be a financial service provider of last resort for law-abiding businesses in instances of market failure; and
- the Commonwealth Government annually reviews all financial service providers who are reported to have refused service to law-abiding businesses.

Should you have any queries in relation to this submission, please contact RMAC's Chief Executive Officer, Reith Parker, [REDACTED]

Yours sincerely

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John McKillop
Independent Chair
Red Meat Advisory Council

¹ <https://www.animalsaustralia.org/features/bank-measure-up-animal-welfare.php>

² <https://feedbackglobal.org/knowledge-hub/research/page/2/>