

# Sustain response to International Trade Select Committee call for evidence on UK-Australia trade deal

16 January 2021

1. Sustain is the alliance for better food and farming. We represent over 100 food and farming organisations. This briefing sets out our response to your call for evidence on the impact of the proposed trade deal between Australia and the United Kingdom. We focus on:
  - a. Standards (food, animal welfare and environment, antibiotics and pesticides)
  - b. Climate and nature
  - c. Parliamentary scrutiny and public health
  - d. Farmer livelihood, mental health and wellbeing

## Summary

2. The UK Government has granted a zero tariff, zero quota deal to Australia, where legal food, farming, animal welfare and environmental standards are demonstrably lower than the UK. By signing this deal, the UK Government is signalling to other, large agricultural nations such as the United States and Brazil that it is willing to grant market access to lower standard agricultural produce.
3. The UK Government's own research, backed by Which? consumer surveys, shows that the public are opposed to food imports that do not meet the same standards that UK farmers are expected to meet. Furthermore, they do not see labelling as a solution.
4. The UK Government has resisted multiple calls from three separate groups of expert advisers (Trade and Agriculture Commission, National Food Strategy and the Climate Change Committee) to introduce core standards for imports; we believe it needs to take up this recommendation urgently.
5. While the deal 'affirms' both countries 'commitment' to the Paris Agreement on climate, we know that Australia was ranked last out of 193 countries in the latest UN-backed Sustainable Development report. It is home to some of the world's largest energy and mining companies, which have damaged the natural environment and contributed to climate change, and it continues to deforest to make way for its intensive model of agriculture. Its commitment is unclear, and the UK Government risks its own COP26 legacy with this deal.
6. Farmers have been clear about the potentially devastating impact of this deal on their livelihood and the Government's impact assessment backs this up, with a predicted drop in revenue of £94m for agriculture, forestry, and fishing, and £225 million for the semi-processed food industry.
7. There is also evidence of the impact to the mental health and wellbeing of farmers. The [Big Farming Survey](#) by the Royal Agricultural Benevolent Institution found that future trade deals are linked to 40% of farmers feeling stressed about the future of their livelihood and business.
8. The Government has formally commissioned the Trade and Agriculture Commission to provide advice on the impact of the deal on statutory protections on animal and plant health, but there has been no corresponding commission with regard to human health, in spite of a duty on the Secretary of State to take advice on the subject.

## To what extent has the Government achieved its stated negotiating objectives?

9. The UK Government's negotiating objectives for the trade deal with Australia stated that *"We have been clear that any future agreement with Australia must work for UK consumers, producers and companies. We remain committed to upholding our high environmental, labour, food safety and animal welfare standards in our trade agreement with Australia. The government has been clear that when we are negotiating trade agreements, we will protect the National Health Service (NHS)."*

### Core Standards

10. The Government's own [impact assessment](#) published in December 2021 alongside the text of the UK-Australia trade deal, claims that no new permissions have been given for foods and that food imports will have to meet UK standards. However, legal food, farming, animal welfare and environmental standards are demonstrably lower in Australia than in the UK. Furthermore, we remain concerned that the combination of wording in the Sanitary and Phytosanitary (SPS) and good regulatory practice chapters could make it difficult for the UK to keep its promise of maintaining bans on hormone-treated beef and chlorine-washed chicken.
11. In addition, the Government has ignored the recommendations to set out core standards for imports made by three separate sets of expert advisers: the first [Trade and Agriculture Commission](#), the [National Food Strategy](#) and the [Committee on Climate Change Progress Report](#) which made "carbon border adjustment mechanism or minimum standards for energy intensive industrial and agriculture products" a priority recommendation for the Department for International Trade.
12. It is our view that the UK-Australia deal has the potential to facilitate and accelerate the importation of low standard, low animal welfare produce that would not meet the expectations of the UK public. We believe this represents a breaking of a manifesto commitment made by the Government in 2019.

### Producers

13. The negotiating objectives stated the Government wanted to take *"into account UK product sensitivities, in particular for UK agriculture."*
14. This is a zero tariff, zero quota deal – although there is a 'tapering' arrangement for some key agricultural products. The impact assessment is clear this will be of benefit to the machine and motor manufacturing industries but not food and farming as "there will be a 'reallocation of resources away from agriculture, forestry, and fishing (around -£94 million) and semi-processed foods (around -£225 million)."
15. Farmers have told us that trade deals will undermine their ability to compete and that they will have to take business decisions that will see them intensify their farming. This will inevitably reduce farmers' ability to engage with the Government's new Environmental Land Management schemes and the deliverability of the 'public money for public goods' approach across all English farmland. Schemes being developed in the other nations will be similarly affected. As a result, the UK could find it hard to meet the climate, nature, water and air quality targets laid out in the Environment Act and Net Zero legislation.

16. Alternatively, some farmers have said they may stop farming altogether, plant trees or move to low output farming and supply niche, more profitable markets. This has the potential to reduce the UK's food security by increasing dependence on food imports. We believe this would be ill advised in light of the [United Nations' stark warnings](#) of the risks to global food production from climate change. Furthermore, the recent National Food Strategy made clear that relying on intensively and harmfully produced food imports would be offshoring our climate and nature responsibilities.

## Consumers

17. A recent [survey](#) by consumer organization Which? found that maintaining food standards in trade deals remains a top concern for 91% of consumers. 87% were also concerned about animal welfare, and 84% about environmental protection. Respondents rejected the idea of putting high taxes on low standard imports telling Which? they "expected all imported food to meet UK standards."
18. Previous [research from Which?](#) found that three fifths of people say food produced to lower standards should not be on sale regardless of labelling. Furthermore, the survey showed that people from lower socio-economic backgrounds were less likely than those from higher socio-economic households to believe food produced to lower standards should be available in the UK.
19. In addition, YouGov polling has found that two-thirds of the British public are worried about negative health and environmental impacts of [lowering of UK pesticide standards](#) and 75% felt it would be an unacceptable concession to drop standards for dairy products that have been [treated with antibiotics](#).
20. Public support for the UK-Australia trade deal is cooling. The Government's own "Public attitudes to trade tracker ([Wave 3](#))" published in September 2021 shows public support at 60% for the trade deal with Australia. This has dropped from 70% support in the [Wave 1 tracker](#), published in July 2019.
21. This concern about food standards is backed up by the Government's own research which also shows that the top concern of the public with regard to the Australia deal is maintaining food standards. [The research](#), published by the Department for International Trade in September 2021, shows overall increasing support for maintaining food standards in the face of trade deals as well as protecting UK farmers' livelihoods.
22. It is our view that this deal has the potential to increase imports of food produced in ways that the UK public would find unacceptable – particularly with regard to the overuse of antibiotics and pesticides.

## Impact on human health

### *Scrutiny arrangements*

23. The Government has [formally commissioned](#) the Trade and Agriculture Commission to provide advice on the UK-Australia trade deal and whether it is consistent with the maintenance of UK levels of statutory protection in relation to animal or plant life or health, animal welfare, and environmental protections.
24. In its [call for evidence](#) the Trade and Agriculture Commission made clear that it will not, as per its terms of reference, advise on the impact on human health. It states that the Food Standards Agency will fulfil this role. However, to date there has been no formal commission to the Food Standards Agency or a call for evidence from them. It is the view of our alliance that this is an unacceptable gap in the UK's trade policy.
25. We would like to see the Food Standards Agency and any other relevant health bodies provide advice to the Secretary of State for International Trade on issues such as the impact on diets, the risk of increased antimicrobial resistance from food imports from countries that overuse of antibiotics, and the health risks associated to both an increase in pesticide residues in food and the risk that more toxic pesticides may be allowed to appear as residues in food.

## Diets

26. The UK has a well-documented obesity crisis which has been exacerbated by the Covid-19 pandemic. The National Food Strategy, published in 2021, recommended a tax on sugar and salt to incentivise product reformulation and the Government continues to consider measures to tackle childhood obesity.
27. The *Trick or Trade* report produced by Sustain and the London School of Economics in 2021 found that Australia's negotiating objectives included the reduction and elimination of tariffs and non-tariff barriers and that this could lead to a reorientation of the type of agri-food products imported in the UK (eg increase the export of sugar, which is one of their major exports).
28. The final UK-Australia deal confirms tariff-free access for 80,000 tonnes of Australian sugar to be sold to the UK in the first year (increasing by 20,000 tonnes each year for the next eight years). This is eight times the quota that Australia previously had for the whole of the European Union. It is unclear how increasing imports of sugar will help meet UK plans to halve childhood obesity by 2030.
29. Chapter 7 of the deal confirms the two government's intention to eliminate technical barriers to trade and promote greater cooperation on regulations. We would use requirements around food labelling as an example. Australia uses the voluntary Health Star front-of-pack rating system, which has been criticised as flawed. Should Australia push for harmonising standards according to theirs, and should the UK accept, this could jeopardise proposed regulation currently under consideration to introduce traffic light labelling.

## Pesticides

30. Australia permits pesticide residues in much higher amounts than the UK. Some of these pesticides are suspected endocrine disruptors, carcinogens or have the potential to impair respiratory systems.
31. Australia licences double the number of highly hazardous pesticides as the UK; the concept of HHPs originates from the United Nations and is used to identify those pesticides which are most harmful to human health and the environment.
32. Furthermore, Australia has no set period for reviewing pesticide approvals meaning that they can remain in use indefinitely once authorised. As a result, pesticides that have been shown to cause harm can continue to be used for many years. In contrast, in the UK pesticides are authorised for a maximum of 15 years before having to be reapproved.
33. As with labelling, should Australia push for harmonising standards according to theirs, and should the UK accept, this could jeopardise the UK's pesticide standards.

## Climate

34. The negotiating objectives stated the government wanted to '*Futureproof the agreement in line with the government's ambition on climate*'.
35. The Government claims this deal affirms the two governments "shared commitment to tackle climate change". However, Australia is a global pariah regarding climate; it was ranked last out of 193 countries in the latest UN-backed Sustainable Development report. It is home to some of the world's largest energy and mining companies, which have damaged the natural environment and significantly contributed to climate change, and Australia's intensive model of agriculture has led to, and continues to lead, major deforestation. For example, 73% of all deforestation in Queensland, Australia is due to beef production.
36. The Government's impact assessment makes clear that in their calculations of the climate impact of Australian beef, they did not take into account greenhouse gas emissions due to deforestation or land use change. Taking these into account would increase the calculations substantially. The modellers also expect

Written evidence submission from Sustain: the alliance for better food and farming (AUS0023)

an increase in beef imports (See below). Henry Dimbleby, who led the National Food Strategy, told parliamentarians that the carbon footprint of Australian beef is 50 per cent higher per kilo than UK beef.

37. It is our view, in coalition with other civil society organisations, that the Australian trade deal, which has no binding or enforceable climate provisions, undermines the UK's claim to be a world leader on climate change and risks the legacy of its COP presidency.

## What is likely to be the impact of the agreement on:

### Livestock farming

38. The Government's impact assessment suggests a gradual reduction in gross output of around 3% for beef and 5% for sheepmeat as a result of liberalisation.
39. In the last forty years, the number of dairy farms in Australia has fallen by almost three quarters but the average herd size is growing. In 1985 the average herd size was 93 cows and in 2019–20 this had grown to 279. There is also an emerging trend of large farm operations of more than 700 dairy cattle. By contrast, in the UK, whilst amalgamation has occurred, the average size of a dairy herd is 148.9 cows.
40. In Australia, over 600 million animals are killed in slaughterhouses each year. The vast majority (around 500 million) are raised on intensive farming facilities where many shocking practices are often allowed, such as the caging of battery hens and single stalls for breeding pigs. Australian sheep farmers are also permitted to use a cruel practise called mulesing, where the skin on the behind of the sheep is removed to discourage a parasite called flystrike.
41. On beef imports, the Government impact assessment caveats its modelling saying it can not predict if Australia will continue to supply lucrative Asian markets, can not predict how the tapered tariffs and supposed safeguards will impact and finally, that there is a strong trend to 'buy British' in the UK, with 81% of retail sales of beef in the UK under the British logo (note not in the food service sector where such labels are rarely used).
42. Government Ministers have briefed Parliament that "strong demand from the Asia-Pacific region will continue to attract Australian supply". But the Australian red meat industry has hailed the UK deal as a 'big win' on the grounds that "future trade will be more streamlined, removing burdensome costs from the red meat supply chain".
43. The Government's own impact assessment reinforces the view that the deal could see increased market opportunities for the Australian meat industry. "The modelling suggests that one area which might see increasing Australian imports and some shift in relative production levels is cattle meat."
44. With regard for British retailer support for domestic producers, we note that Asda, which had just introduced a policy of British only beef in its produce, announced in January after only two months of meeting that commitment, they intend to back out of it, citing price concerns. Other retailers may be tempted to follow suit if guaranteed a steady supply of cheap beef from Australia.

### Animal welfare, antibiotics and pesticides

45. Australia ranks lower on the World Animal Protection Index and still permits practices such as mulesing, de-horning without pain relief and the use of sow stalls. (Full briefing here)

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46. Australia has very poor surveillance of on-farm antibiotic usage, still permits the use of antibiotics as growth promoters and in the case of pigs and poultry uses 16 times the amount of antibiotics as the UK does. (Full brief [here](#))
47. Australia licences the use of almost double the number of Highly Hazardous Pesticides (HHPs) as the UK does (144 to the UK's 73) and it has no set period for reviewing pesticide approvals (in the UK it is a maximum of 15 years). Its Maximum Residue Limits (MRLs) tend to be higher than the UK's meaning that larger amounts of pesticides are allowed to appear in food and, in some cases, Australia permits pesticide residue levels many times higher than in the UK (up to 200 times). (A full briefing on the differences between UK and Australian farming standards is available [here](#) and on pesticides [here](#))

## **The UK's devolved nations and English regions**

### *Scotland and Wales*

48. In 2019 the [UK Trade Policy Observatory](#) warned that Brexit food safety legislation gives UK ministers powers to make policy changes to food safety laws without primary legislation – avoiding the scrutiny of Parliament using Statutory Instruments (SIs). Trade negotiations are conducted by the UK Government.
49. We would draw the attention of the Committee to evidence they were given in [March 2021](#) that the terms of the Internal Market Bill “require each nation to sell any and all food from the other nations”. The witness, Dr Iyan Offor, stated that there were exceptions to this requirement, but “they do not stretch as far as environmental or animal welfare concerns”.
50. As the terms of the UK-Australia have been negotiated by the UK Government, this means that if the deal permits market access to low standard, low welfare imports, the Scottish and Welsh Governments will have no means to stop them entering their food systems.

### *Regulatory divergence (particularly on antibiotics regulations)*

51. On 28 January 2022 the UK's regulations on farm antibiotic use will diverge from the European Union's. New EU legislation will prohibit all forms of routine antibiotic use in farming, including preventative group treatments. Despite suggestions from the UK Government since 2018 that it would keep pace with these rules it has failed to do so.
52. For their exports into the EU, non-EU countries including the UK will now have to respect the ban on antibiotics for promoting growth and increasing yield. Under the terms of the Northern Ireland protocol, Northern Ireland farmers will continue to follow EU farm regulations.
53. By accepting Australian meat imports that have been produced using preventative group treatments, the UK will be accepting lower standards than the EU.
54. Sustain members have raised concerns about the future of farm regulations and the possible impact of trade deals. Basic payments under the Common Agricultural Policy and the requirement to meet EU on-farm regulations are still in place but will be phased out in the next few years. The UK will need a replacement regulatory framework. The Sustain Alliance is concerned that in the face of increased competition from cheap Australian agricultural produce, and without sufficient and fair regulatory safeguards, many UK farmers may choose to intensify in a way that could cause serious environmental issues. There is already [evidence](#) of a weakening of approach towards 'low impact' pollution by the Environment Agency.

55. Over the last five years UK farmers have voluntarily made great strides in tackling overusage of antibiotics; usage has fallen by about 50%. This progress could be put at risk if competition from cheap imports forces them to return to more intensive systems, using preventative antibiotics as an insurance policy against disease.
56. As the new Trade and Agriculture Commission has only been charged with examining the impact of the trade deal on *statutory* provisions, we do not expect them to opine on the impact on progress made *voluntarily* by UK farmers. To protect progress on antibiotic usage, the UK must enact regulations on antibiotic usage.

## Scrutiny and engagement: How well has the Government communicated its progress in negotiations – and how much has it listened to stakeholders during those negotiations?

57. The Sustain Alliance maintains that the scrutiny procedures around the UK's new trade deals are inadequate. Despite the impact these deals will have on multiple aspects of life in the United Kingdom, civil society has been largely shut out of the negotiating process. The organisations which were invited to take part were often subject to Non Disclosure Agreements, which has hampered debate. On multiple occasions we have had to turn to the Australian media or stakeholders for updates.
58. During the Agriculture Bill debates in 2020 the Government rejected public calls to protect food standards in law and opted instead to establish a Trade and Agriculture Commission. At the time Sustain flagged the lack of environment, animal welfare, public health and consumer affairs expertise and that it lacked the power to protect food standards. The head of the current TAC has conceded that the Commission is 'toothless' and can only assess the impact of a deal on statutory protections after the fact. Parliamentarians have no mechanism to improve a deal and can only delay its ratification or refuse to pass implementing legislation.
59. The Government has taken limited action on the report from the first TAC and completely ignored its recommendation to establish core standards.
60. In a recent [letter](#) to Anne Marie Trevelyan, a coalition of civil society organisations expressed concern that about the lack of parliamentary time afforded to debating the deal, the lack of a guaranteed vote for MPs on the deal, and the lack of adequate public consultation.

## What lessons and inferences for other current and future negotiations can be drawn from how the Government approached, and what it secured in, the FTA with Australia?

61. The Government has welcomed the Australia deal as a blueprint for future deals and stated that it paved the way to acceding to the Comprehensive and Progressive Trans Pacific Partnership.
62. The Sustain Alliance would urge the Government to not use this deal as a blueprint and urgently consult on introducing core standards for all agricultural products.
63. We would also call for improved stakeholder engagement, additional, meaningful parliamentary scrutiny arrangements and a formal process for consulting on the health impacts of trade deals.

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*Sustain: The alliance for better food and farming advocates food and agriculture policies and practices that enhance the health and welfare of people and animals, improve the working and living environment, enrich society and culture and promote equity. We represent around 100 national public interest organisations working at international, national, regional, and local level. [www.sustainweb.org](http://www.sustainweb.org)*