SOCIAL IMPACT STUDY OF RED MEAT PROCESSING IN AUSTRALIA

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Project Description

AMPC is committed to supporting its member organisations to understand the social impact red meat processor (RMP) organisations have on the communities in which they operate. AMPC therefore commissioned research to gain insights into these social impacts, and how the decisions and behaviours of RMPs were impacting on the communities in which they operate.

The social impact of the Australian RMP industry had never previously been assessed. QUT researchers were commissioned to carry out a benchmark study (AMPC 2017-1061) to determine what social impact the RMP industry has on its host communities.

The research found the Australian RMP industry is perceived as having significant positive impacts on the communities in which it operates. RMP organisations report little or no community objections to their continued operations. This is an important indicator that these communities are currently granting SLO to the RMP industry. It further suggests that maintaining the positive nature of these social impacts is likely to result in continuing community approval and an extension of SLO. However, the research also found lower rates of approval of the RMP industry among people who were not aware a RMP organisation existed in their neighbourhood. Low levels of community approval has been shown to potentially pose a threat to the continuation of SLO for organisations. The conclusion the researchers drew from this finding is that community awareness of the positive social impacts of the RMP industry is a key precursor to achieving and maintaining its SLO.

The conclusion of the research project is that to constantly renew its SLO, the RMP industry needs to maintain its positive connections with local communities. AMPC could facilitate this by sharing members' community engagement success stories through its internal communication network to encourage similar activities. Recognising those organisations that achieve outstanding social impacts – perhaps through an award scheme – could both provide stories to be shared, and incentivise efforts to expand and improve suitable initiatives. In addition, the industry – represented by AMPC – needs to get better at telling the story of its positive social impacts to a wider audience. This could be achieved, for example, by the use of case stories on the organisation's website.

In summary, the research team believes the RMP industry can continue to renew its SLO through a combined program of positive community engagement, and better storytelling to internal and external audiences.

Project Outcome
Project 2017- 1061 delivered four tangible outcomes:
1. A new and unique way to measure the social impact of the RMP industry in Australia.
2. A benchmark of the social impact of the Australian RMP industry.
3. Six case studies that document the social impact of the RMP industry in specific Australian communities.
4. Recommendations to AMPC on how to communicate about the social impact of the RMP industry.

Benefit for Industry
This research has given the RMP industry new insights into the impacts it has on the communities in which it operates. These insights show the wide-ranging extent and nature of the difference the RMP industry makes in contemporary Australian society.

Project Content
The project was undertaken in two stages. The first stage involved face-to-face interviews with meat processors and community members in four geographic areas. The second stage involved a national online survey. The research findings showed the specific nature of the significant social, economic, cultural and environmental impacts RMP organisations have on their host communities. Details of the research methods used, and further information on the findings are presented in the sections that follow.

Interviews
In the first stage of the project, research team members visited four RMP organisations (metropolitan and rural/regional areas in two different states) and conducted face-to-face interviews with employees. A total of 21 interviews were carried out, mainly with mid-level and senior management. Separate interviews were also carried out with 22 community members in the areas surrounding the selected organisations. These community members included local council members, retailers, and residents. All interviewees – both the employees and community members – were invited to discuss their perceptions of the relevant RMP organisation specifically, and the RMP industry in general. The findings from these interviews are presented below.

Social impacts
- The employment opportunities offered by RMP organisations in rural/regional areas resulted in higher population levels.

- These higher population levels meant regional areas qualified for increased government allocations of community resources, such as schools and hospitals.
- RMP organisations are closely involved in the provision and/or support of community resources such as sports fields and other significant social resources. The age and demographic profile of RMP workers (young/strong) provided a natural fit for sporting club membership. Evidence also suggested this link between sport and the RMP workforce provided an important means of community building.
- A key feature of RMP organisations in both regional and metropolitan settings was their close and well-established relationships with charity, sport, and social organisations.
- A significant focus on youth was noted for some RMP organisations, driven by either personal interest by key staff in mentoring through established school relationships, or providing youth with options for their career and training. Findings showed the RMP industry provided extensive training and skill development options for young people.
- The general consensus was that Australia was regarded as a world leader in working with animal welfare organisations and the RMP industry was performing difficult and sensitive tasks well.
- RMP organisations' zero tolerance of substance abuse on site, and the strict enforcement of a strong culture of workplace health and safety, had positive spill-over effects in employees' personal and private lives.

Economic impacts
- Meat processors generate and offer jobs, stable employment, and good pay.
- Jobs in the RMP industry offer career prospects, training opportunities, and skill development.
- RMP organisations are a valuable asset, as people and other businesses are attracted to a town, and sustained in a region, because of this type of industry.
- The volume of workers, consistency of income levels, and the availability of jobs were also noted as having a range of impacts including ripple or flow-on effects on business at a local and regional level.
- Workers in the RMP industry contribute to the local economy by shopping locally for goods and services, such as cars and retail consumer goods, as well as housing.
- RMP organisations contribute to the amenity of local areas through the direct and indirect influence on infrastructure investment such as roads, bridges, and dams.

Cultural impacts

- The influence of the RMP industry on the food value chain was highlighted by many participants recognising RMP organisations as an influencer of meat producer (production) practices, including breeds, stock size, feed types, and transport options. Overall, participants recognised the role of RMP organisations in modelling good practice in business management.
- The influence of foreign workers bringing their cultures or 'new ways' to their host communities was generally regarded as highly beneficial. The most common notion presented by industry participants was the novelty and diversity of foods and traditions.

Environmental impacts

- While there was acknowledgement of the potential issue of odours and gases around RMP organisations, participants regarded these problems were now being handled much better and more effectively than ever before, therefore minimising any negative impacts.
- The RMP industry as a whole is now regarded as more responsive and proactive in managing environmental impacts than previously, for example by reducing waste from the processing of animals and taking steps to monitor, mitigate and reduce noise and odours.

Survey

An online survey to measure community perspectives of the social impact of the RMP industry collected data from 2450 people in 91 locations around Australia living an average of 30 kilometres (rural) and five kilometres (urban) from a RMP organisation. Key findings included:

- **Low Knowledge of RMP:** Even though respondents were selected based on their geographic proximity to a RMP organisation, 70% of participants said they were not aware of an abattoir in their vicinity. The majority of the respondents (32.8%) had lived in their current community for over 20 years and in total, nearly 60% of the respondents had lived in their community for more than 10 years.

- **Positive perceptions from those who knew**: The 30% of respondents who did know about the RMP organisation in their local community had more positive evaluations of its impact (overall social impact, social cultural, personal impact, and social license to operate, stakeholder engagement) in their community than the 70% who did not know about the RMP organisation.

- **Location matters:** The geographic location of a respondent affected how respondents felt about RMP organisations.

Those who lived in a rural area were 5% more favourable about the impact of the organisation in their community than those who lived in an urban area.

- **Rural vs Urban:** Respondents that lived in a rural area believed that meat processors have more of a social license to operate (over 5% difference); feel that meat processors are engaged more with the local community (over 6% difference); feel meat processors make more of a personal impact on the local community (over 5% difference), and are more likely to feel that meat should be used for human consumption (nearly 5% difference). In addition, respondents who were aware of a RMP organisation and are living in an urban area have more positive ratings on the perceived positive environmental impact of the organisation on their community.

Overall Social Impact

Overall Social Impact of the RMP industry was measured on four variables: economic impact, environment impact, social cultural impact, and personal impact. Economic impact assessed the economic force, both positive and negative, of the RMP within a community. Environmental impact captured the positive and negative impacts on the environment of a local community from the RMP industry, including air pollution, odours, environmental damage and maintenance of services such as roads. Social cultural impact captures the positive and negative impacts that RMPs have in a community with respect to elements such as intercultural communication and understanding, helping the community, changes in community cultures, and opportunities to meet new cultures. Personal impact assessed the social perspective, both positive and negative, of the RMP industry within a community.

RESULTS:

The Overall Social Impact assessed the social perspective and is a summated version based on all other impacts. Overall Social impact was positively correlated (significant) to all other impacts (economic, environmental, social cultural, personal) and social license to operate, stakeholder engagement, and community development. The mean (3.98 SD .89) suggests that respondents had a general positive view of the RMP industry social impact, as an overall score. A majority of respondents believed a RMP organisation's overall social impact (personal, social cultural, environmental and economic impact) is established by that organisation's social license to operate, its engagement with relevant stakeholders, and how it contributes to local community development. In this study we investigate the effect of social license to operate, stakeholder engagement and community development together on the overall measure of social impact (made up of economic, environmental, social cultural and personal impact).

Using these three variables, the model is statistically significant (p = < .000) and predicts 86.2% of the variance in social impact which suggests that a great deal of the explained variance comes from these three variables. Looking at each variable we can see that all variables are statistically significant, with community development the strongest predictor and stakeholder engagement being the weakest. Respondents that had an awareness of a RMP viewed their stakeholder engagement more favourably (Aware M4.27 SD .89 vs Unaware M 3.86 SD .86).

Influence on Impact Variables
Social license to operate indicates whether the activities of a red meat processor are considered legitimate from the perspective of the local community. This captures whether the respondents see their local red meat processor as trustworthy, whether they are prepared to respond to community concerns and whether they are broadly accepted by the local community.

RESULTS:
The overall construct score for social license to operate (SLO) (M 3.94, SD 1.24) suggests there is more to be done to renew and maintain the social licenses of the RMP industry. Results suggest that SLO has a statistically significant relationship with all four social impact variables - economic, environmental, social cultural and personal impact. SLO was also found to have the strongest outcome or most influential on environmental impact while the weakest influence was on social cultural impact. This means that management of noise, air and environmental pollution were important predictors of social impact while cultural contributions made by a RMP, such as community cultural exchanges and events, has the least effect on its social impact. Respondents that had an awareness of a RMP in their local community viewed their SLO more favourably (Aware - M4.30 SD 1.27 vs Unaware M 3.73 SD 1.19).

Stakeholder engagement: Stakeholder engagement is understood as practices the organisation undertakes to involve stakeholders in a positive manner in organisational activities. This reflects the communication with, and involvement of, relevant community members in matters of shared interest and decision making.

RESULTS:
Stakeholder engagement was found to be statistically significant in influencing all social impact variables. A mean of 3.84 (SD 1.28) for stakeholder engagement suggests many participants felt the RMP industry could improve their stakeholder engagement efforts. There was also a significant correlation found between stakeholder engagement and social impact.

Results suggest that of the four RMP social impact variables - economic, environmental, social cultural and personal impact – stakeholder engagement was found to have the strongest outcome or was most influential on environmental impact (negative relationship), while the weakest influence was on economic impact. Economic impact is the RMP's contribution to local jobs and associated economic indicators. This means, stakeholder engagement becomes important for RMPs to communicate with and involve relevant local community members in the organisation, and how much effort RMPs make in building strong community relationships. Respondents that had an awareness of a RMP viewed their stakeholder engagement more favourably (Aware M4.21SD 1.32 vs Unaware M 3.68 SD 1.23).

Community development: Community development captures associated attitudes toward the role red meat processors play in developing a local community. This includes both positive and negative elements such as investment in community projects, benefits for the individual and the community, and support for the community.

RESULTS:
Community development was found to be the strongest predictor of overall social impact with results showing a significant correlation between community development and social impact. An overall construct score (M 3.72 SD 1.21) however suggests participants felt the RMP industry could improve their community development contributions further. There was a significant relationship between community development and RMP's four separate social impact variables - economic, environmental, social cultural and personal impact. Community development was found to have the strongest influence or was most influential on social cultural impact, the weakest influence was on environmental impact. Social cultural impact captures the intercultural communication and understanding, community help, changes in community cultures, and opportunities to meet new cultures that are established through the RMP. Environmental impact included aspects such as noise, air and land pollution, environmental damage, and effects on service maintenance. Respondents that had an awareness of a RMP viewed their community development more favourably (Aware M4.11SD1.23 vs Unaware M 3.55 SD 1.17).

Meat morality: Meat morality captures the behavioural belief that the respondents have toward consuming meat. This includes whether or not the respondents believe that consuming meat is morally sound and whether killing animals for consumption is justified.

RESULTS:

How respondents felt about meat consumption had a significant impact of their perception of the economic, environmental, social cultural and personal impact of the RMP industry in local communities. Those respondents who felt that eating meat was morally sound, thought that the RMP industry had a positive impact on local communities in terms of community involvement and giving back to the community. These respondents also thought that the meat processing industry has positive economic flow on effects for local communities which have processing plants within them. Furthermore, respondents felt there was limited negative environmental damage such as air pollution or noise levels. Interestingly, the more respondents thought the red meat processor had social cultural impact, (that is the feeling that the meat processing plant enables communities to preserve their local culture and enables workers and community members to learn about each other's cultures) the more likely the respondents were to not think that eating meat was morally sound. Respondents that had an awareness of a RMP viewed scored higher on meat morality than those who were unaware of a RMP (Aware M4.78 SD1.33 vs Unaware M 4.29 SD 1.29).

Conclusions and recommendations

This final section presents the conclusions and recommendations for AMPC.

1. **Engage internal stakeholders**

    Not all RMP employees – particularly at the operational level – understand the positive impacts of their organisations on society, especially in their local communities. Prior research has repeatedly concluded that an organisation's employees are its most powerful communicators and advocates to external stakeholders. If AMPC wishes to more effectively communicate the positive social impacts of its members, it first needs to build understanding of these impacts among industry employees.

2. **Increase community awareness of RMPs**

    There is a general lack of awareness of red meat processing - and subsequently the industry - among community members living in proximity to a red meat processing organisation. There is also a link between knowledge of a RMP within the community and a positive perception of the overall social impact of the RMP industry.

    When residents were not aware of the RMP organisation in their vicinity, they were more likely to hold a negative view of RMPs generally, and more specifically the social impact and contribution of RMPs to the community. This lack of awareness affects the perception of the overall social impact of the industry on communities.

3. **Increase community understanding of the social impacts of the red meat processing industry**
The RMP industry needs an education and awareness campaign to inform people about the quality of Australian red meat, the innovations of red meat processing, the nature of the industry, and the subsequent positive economic and social impacts of red meat processors.

4. **Develop a community engagement strategy**
Many RMP appear to adopt an 'under the radar' approach due to concerns that if people know they are there, or what they do, it will attract activists and attention. While this strategy may have worked in the past, it is much better to be proactive, transparent, and communicative. Engagement with local community should be viewed as a positive activity, and resources and guidance at an industry level should be provided to individual RMP to support them in efforts to proactively engage with their local communities and strengthen specific community relationships.

5. **Better story telling**
A major finding from this research project is the varied and complex contributions the RMP industry makes to Australian society. The RMP industry has some great stories to tell about itself and its social impact and contributions at a local, regional, and national level. These narratives need to be shared more widely than is currently the case, and on an ongoing basis.