

SIR JOHN CRAWFORD MEMORIAL ADDRESS

Trade-offs & Tough Choices

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I am indebted to the Crawford Fund for Food Security for many things, but two stand out.

First, I'm grateful for the opportunity to follow the many esteemed thinkers who have previously delivered the *Sir John Crawford Memorial Address*. Each of them brought an expert view on the things that matter most to us at Crawford, and of course, by extension, ACIAR, – global food resilience and security, and all things that might make for a better, more equitable, and sustainable world.

My contribution tonight will be somewhat different to the contributions of previous speakers. And I should say, tonight I speak for myself, not for the Crawford Fund for Food Security or its Board.

Second, I'm grateful for the introduction to the life and work of Sir John Crawford. As a former Agriculture Minister and Shadow Minister, I knew of him, but before joining the organisation named in his honour, I had only a limited appreciation of his legacy and the extent and effectiveness of his public service. He was a great Australian. Of all the things he's known for it was his grasp of the value and importance of soft power that stands out for me.

I thank Denis Blight and Nicholas Brown in particular for helping me to better understand who he was, what he was, and what he achieved. I do wonder what he'd think about the world we now live in, and what advice he would offer. In his book *Homo Deus*, Yuval Noah Harari reminded us that at the beginning of this century, more people died from obesity than starvation, more people died from old age than disease, and more people died from suicide than were killed in war.

It is true that humanity continues to make great progress – we live longer, we're wealthier, and medical technology and procedures continue to improve. Innovation is all around us, and many developing nations continue to make their way towards developed nation status.

However, since Harari made his points, the world has become a less certain place, and less stable place. Distressingly, global hunger has been rising. And despite the heavy hand of government regulation in Western countries, the state of our natural environment continues to decline.

Given all of this, it's no wonder President Trump's promise to disrupt the governance *status quo* was embraced by so many American voters.

The twentieth century remains history's most violent. But the economic progress and the boost to living standards achieved in the period after the end of the Second World War were remarkable.

Led by the United States, the liberal democratic West successfully promoted open trade and built a global rules-based order, which has also delivered relative peace and security. But that architecture is now under pressure, and the dominance of the West is under challenge. Meanwhile, changing climatic conditions are making our quest for greater security – including food security - more challenging

The history of the world is largely a story of the rise and fall of civilisations and great empires. Both the Holy Roman and Byzantine Empires lasted more than one thousand years.

The British Empire – the largest ever by territory – lasted around 400 years. The Qing Dynasty, by the way, lasted less than 300 years, but its legacy – including its territorial expansion, including into Taiwan – continues to have an impact on us today.

Empires decline for many reasons, including but not limited to disease, drought, famine, corruption, invasion, internal dissent, poor leadership, and complacency.

The US-led West is not technically an empire; indeed, 250 years ago, the good people of the American continent successfully fought to free themselves from one. Rather, its model since the Second World War has been not to rule, but to lead and build. To rebuild Europe, to build nation-state autonomy, and to build a rules-based global order to sustain them.

Notwithstanding, it is instructive to compare the longevity of global US leadership and its dominance with the great powers of the past. That architecture is just eighty years old. Yet Western leadership and influence are now under significant challenge. In large part, in my view, due to indulgence, complacency, and dare I say, a failure to adequately reproduce ourselves.

In 2025, we have zero justification for complacency. We are now in phase three of three periods since 1945. The long Cold War, the unipolar moment – during which US superiority was absolute – and now a multi-polar world, which is making its way to a new dichotomy.

On one side is the liberal democratic West. On the other side is a bloc of aligned states which includes China, Russia, Iran, and North Korea. It is clear that our geo-strategic outlook is in decline, and in that environment, we will have less warning of any threat to our sovereignty.

China, of course, is Australia's largest trading partner. Yes, complicated and challenging.

Given this changing strategic dynamic, Australia must do more to build both sovereign capability and the capacity to deter and deny any potential aggressor. That means we need to make some tough policy choices, which in turn will demand some tough trade-offs.

Spending more on our defence capability and strengthening our alliance and partner country relationships is one of those tough choices. In the absence of more courageous revenue-raising measures, cuts in other areas of public spending or significant economic growth-generating measures will require trade-offs. But as tempting as it is, strategic and defence policy are not what I want to dwell on tonight.

Rather, I want to talk about economic strength, partly because you can't have the former without the latter. And more particularly, I believe there is now enough evidence to suggest that our current pathway to net zero emissions is not without its risks, and therefore, we have a responsibility to hedge against those risks by diversifying our approach. Not to do less, but to do more.

On the question of risk assessment, we have to be cognisant of the reality that climate change is pushing us in a number of separate spending directions. We are being pushed to invest more in mitigation, sequestration and adaptation because our changing climate poses many threats.

One of those risks is the enhanced prospects of military conflict and therefore, we are being further pushed to bolster our ability to deter and deny any aggressor. These are all big fiscal burdens.

Of course, to do all of that, we need a strong economy with a strong industrial base.

We can spend more on defence without raising taxes or cutting spending elsewhere, if we bolster economic growth and we spend smarter. But more money won't be enough without the ability to efficiently manufacture, maintain, and sustain defence platforms, and without a full and energetic embrace of artificial intelligence and all it offers.

The latter includes the deployment of policy frameworks that accommodate data centres - planning

policy, industry policy, environmental policy, and energy policy. Reconciling our strategic and economic interests – including our US and China relationships - is no easy task.

Trade-offs and tough choices will be the lot of our political leaders in the years ahead.

While not the world's worst, our public debt is too high, and our demographic challenge has not gone away. Our workforce continues to age, and despite high levels of youth idleness, employment vacancies remain too common. Australia's productivity growth has been too low for too long.

Despite admirable public policy initiatives, we still lack the trades people and other skilled workers we need to lift productivity and to grow our economy, while also keeping downward pressure on inflation and interest rates.

I welcome the Government's decision to tackle our productivity performance as a matter of priority. Plenty of potential solutions will be on offer when the economic roundtable is convened.

But for me, two things should be an immediate priority.

The first is the weight regulatory burden. The second is a more imaginative and creative approach to the climate change challenge. The heavy hand of government regulation is choking Western economies and suppressing growth in capital stock. Growth in our physical stock, and its depth, should be benchmarked not against those of our western partners but rather, the fast-growing countries of our region. Of course, in Budget terms, addressing regulatory burden is a no or low-cost option for lifting productivity. As a non-executive director on an ASX board, I regularly see the problem close up.

Indeed, those sitting in board rooms around the country are hesitating and procrastinating in the face of ESG uncertainties. The haunt of proxy advisors is always with them. Investment in new and more efficient plant and equipment will be a crucial part of building a more competitive economy. Modern manufacturing plants also help reduce our greenhouse gas emissions.

Further, new investment in manufacturing is crucial to rebuilding sovereign capability, a term that has become particularly sexy since the advent of COVID-19. But investment is not flowing as it should because in this regulatory environment, it's all too hard and too risky. High energy prices are also a factor – both for investment in new plants and for decisions to keep existing plants running.

On another front, there is plenty of talk and promise on housing availability and affordability. But despite some policy movement, there remains far too much emphasis on demand-side responses.

Demand-side solutions are also weighing heavily on the public purse. There is too little action on the supply side, and in particular, our land development and building approvals processes. In the absence of significant change, rezoning and housing development approval processes will continue to drag on for years. So too will construction time-frames.

Many of these delays are due to biodiversity constraints. Biodiversity is important, but more sensible, balanced, and creative approaches are needed.

It's not just about providing housing for young families. More housing allows for greater labour mobility, and enhancing labour mobility will provide a boost for our productivity performance as a nation. There can be no doubt, red and green tape are holding back our economy. Just ask those who import and export goods in and out of Australia. Our approvals system is a 20th-century standard at best.

The second thing we need to do urgently is rethink our approach to the climate change challenge. The current framework abounds with green-washing, rent seeking, unrealistic targets, and ultra-optimistic views about emerging technologies. There are a few egos too!

Public trust in Western politicians and public institutions is being further eroded by what appears to some to be one set of rules for the renewables sector and another set of rules for everything else.

Our climate is changing in adverse ways. The evidence is all around us, and no one understands that better than those who work the land. But we don't have to hold our economy back to be a world leader in climate change action. We need to adjust, recalibrate, and broaden our course of action.

Our evolving strategic situation is demanding that we build more sovereign capability, yet our current climate policy pathway is not sufficiently strengthening our capacity to do so.

Our strategic competitors are not making that same mistake. This can and should change. The first thing we need to do is remove the ill-considered prohibitions on nuclear electricity generation.

Arguments that this carbon-free technology is too expensive or too slow to build may be valid. But let's remove the prohibition and let the market decide whether there is a place for it here in Australia. I suspect there is, particularly given the need to host the energy-hungry data centres we'll need to remain internationally competitive and to improve our productivity performance.

Australia has enormous reserves of uranium, and we sell our ore to countries around the world to feed their nuclear energy plants. Yet we are close to generating the same energy here. It's just not rational.

The second thing we need to do is to follow the example of the first Rudd Government and focus more on carbon capture and storage. I am constantly bemused by those who say this technology doesn't work. They say so even though it's already happening both here and in so many parts of the world.

Indeed, in the Moomba Basin, SANTOS recently safely stored its one millionth tonne of carbon. That's the equivalent of closing down a large coal-fired generator for a year. Ironically, the people who say carbon capture doesn't work regularly preach the green hydrogen and green steel gospel, even though the market has recently confirmed neither is yet viable.

The next thing we need to do is get more gas out of the ground. We are endowed with enough gas in Australia to provide for both our domestic needs – residential and industrial – and to sell into lucrative export markets. But we lack the will to fully exploit our reserves.

This makes no sense. Gas can be scrubbed of its carbon, and we desperately need it as a transition fuel. And more carbon scrubbed gas provides the opportunity to produce blue hydrogen, a more viable proposition at this time than green hydrogen.

The next thing we should do is accept that the lives of some of our coal generators will need to be extended beyond what is ideal. It's just a reality of the engineering and physics of our energy system. Meanwhile, both China and India are building new coal-fired generators as I speak.

A stable energy grid will help us accelerate the transition to a lower-carbon world. Globally, there is plenty of emphasis on mitigation but not enough focus on adaptation and sequestration – biological, geological, and technological. We can do so much more in the land sector.

We need to put the “net” back into Net Zero Emissions. The land sector could play a much larger role if given the chance; it can also add to our biodiversity stock. One of the many things that makes government challenging is information or knowledge asymmetry – the information gap between policy makers and the electorate.

Knowledge asymmetry creates an opportunity for those opposed to a sensible initiative to run political interference by peddling misinformation and disinformation. But the key problem with the

land sector is that too few politicians sufficiently understand it.

Until there is a political controversy, it's a policy area left to just a few – usually those with portfolio responsibility or those with a farming background. Of course, geography is just one explanation for this relative lack of focus on one of our most important sectors.

Agriculture is complex, and if you don't understand how a device works, you won't use it, and you'll have limited interest in it. As you all know only too well, smarter farming and healthier soils help to build resilience and food security by sequestering more carbon and holding more drought-proofing moisture.

Yet the regulatory regime remains unfriendly to those hoping to secure carbon credits for improving carbon sequestration in our soils.

Australia has a pretty good carbon trading framework, and yes, we need to protect the integrity of that framework, and we want sequestration to be both meaningful and permanent. But we need to provide more certainty for those prepared to further invest in carbon farming and other food production innovations.

Food manufacturers are doing their bit by working with growers and producers to lift productivity and environmental outcomes. We should provide them with incentives to do even more.

We can also do more in the area of crop-based biofuels produced from non-food cover crops like *Carinata* or *Ethiopian Mustard*. This includes sustainable aviation fuels, which will have the additional benefit of further protecting our sovereignty.

The forestry sector is also part of the solution. To the federal government's credit, some big strides have recently been made. For example, the so-called "water rule" has been removed. This nonsense piece of regulation denied carbon credits for forestry plantations unless they were planted in areas of low rainfall. Rainfall measures so low that establishment was not viable. Land prices are holding tree plantings back. The current government – to its credit – is now issuing plantation grants to lower the investment hurdle. But the private sector could do more if we worked with it to make this asset class better understood.

The less productive areas of farm holdings can be used to plant trees for our housing and other needs. More trees not only means more sequestration, it also means better soil health, better animal welfare, and improved on-farm ecosystems. These opportunities should be central to our aspirations to improve our natural environment.

Trees are our great carbon sink. A native tree slowly ceases to absorb carbon with age. If it dies or is burned *in situ* it releases the carbon back into the atmosphere. A harvested tree used to build the furniture, staircases, and window frames we love so much stores the carbon in that product forever. Another is seeded in its place, starting the photosynthesis process all over again.

Yet two of our states have banned selective and sustainable native forestry harvesting. Victoria closed the industry down, only to import native logs from Tasmania. All in the name of the environment!

The only things the native forestry bans achieved are the build-up of bushfire-promoting undergrowth and greater difficulty for wildlife trying to navigate the forest floor. Closing down our native forestry sector forces us to import our product from countries that do not enforce our high environmental standards. Of course, this also further undermines our sovereign capability. State governments now have the responsibility to acknowledge the greater role forestry can play in our efforts to address our climate change challenges.

Another great opportunity that rarely rates a mention is the quest to reduce the methane emitted

by our cattle herd. *Asparagopsis* is one largely ignored innovation, but for me, our nascent capacity to rapidly accelerate breeding changes is even more exciting.

We now have the technology to accelerate this change at scale. To both reduce methane and lift productivity in both our beef and dairy sectors. This technology would be a gift to the global south too. One Queensland-based company is close to commercialising a platform that would provide every cattle producer and dairy farmer with the tools necessary to achieve affordable, accelerated genetic improvement through the *in vitro* production of embryos.

But you don't read about it or hear policy makers talking about it. Nor are financiers rushing to the door to back the technology. They are too focused on decades-old technologies like wind turbines and solar panels, or the elusive green steel and hydrogen.

It disappoints me that so much public money goes to subsidising what could now be considered legacy technologies, and by comparison, not enough is spent promoting innovation in the production, consumption, and sequestration sides of the equation. A greater role for the land sector in our climate change response should be pushed to the top of the public policy agenda. And our ambitions for it should extend well beyond our shores.

John Crawford would have it no other way. He taught us to be ambitious, energetic, and hard-working. He demonstrated that we have the capacity to shape public policy, research methods, and global research institutions. Indeed, to lead in the development of new institutions both at home and abroad. This, of course, is part of his legacy.

You often hear people say we can't change the climate from Australia. This is no doubt true. Just as it's true we may never realize the dream of being a renewable energy superpower. We can, though, be an energy superpower. We have abundant reserves of oil and gas. And we are blessed with plenty of wind, sunlight, and land. We will never manufacture wind turbines or solar panels in Australia a significant scale. Nor indeed can we manufacture them at a globally competitive price.

But we can be a global leader in soil health and carbon sequestration. We have already demonstrated our forestry sector is the world's best practice, and we can help others develop and follow those standards. We can lead the way in the production of biofuels from non-food cover crops, lowering emissions and strengthening food security, and our broader national security. We can be a world leader in methane-reducing livestock breeding systems.

And beyond the land sector, there are two areas of greenhouse gas mitigation in which Australia enjoys a competitive advantage. The first is blue hydrogen. We are one of only four countries endowed with significant reserves of relatively cheap lignite (or brown) coal. Like few other countries, we can deploy carbon capture technologies before producing blue hydrogen from these extensive reserves.

Second, we have the geological formations to receive and permanently store the carbon captured from the processes of our trading partners. That will be a good thing for the planet, and a good thing for our economy. Wind and solar will continue to play a major role in our efforts to meet our net zero aspirations. But they won't be enough on their own.

They are too intermittent and disruptive. Securing necessary levels of social licence will become harder, not easier, if we continue to pursue greater scale. We are smart enough to walk and chew gum too.

I suspect very few in this Great Hall tonight would consider themselves activists. And for many, activism would not be an appropriate course of action. But we can ramp up our advocacy efforts. I

believe those of us with an interest in agriculture, food and food production processes, have a responsibility to;

1. Take every opportunity to highlight the greater role the land sector can play in our efforts to reduce greenhouse gas emissions. While also reminding people of the great work we do helping others build food security, and
2. to convince others that a science-based approach is always the most efficient and effective approach.

I suspect that's a good note to end on. I thank you all for the wonderful work you do. I wish you all a productive and successful conference.

The Hon Joel Fitzgibbon, Former Federal Minister for Agriculture, Fisheries and Forestry was first elected to the House of Representatives in 1996, Joel served as Defence Minister and Minister for Agriculture, Fisheries and Forestry in the Rudd Government. He also served as Chief Government Whip in the Gillard Government.

Over the course of his 26 years in the Parliament, Joel held a number of Shadow Ministerial positions including Assistant Treasury, Financial Services, Defence, Mining, Energy, Agriculture, Small Business, Tourism and Regional Australia. He was also the Chair of the Joint Standing Committee on Foreign Affairs, Defence & Trade. Joel retired from the House of Representatives in 2022.