

From the desk of Dr Kevin You, Research Fellow
kyou@ipa.org.au

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Committee Secretary
House of Representatives Standing Committee on Agriculture
PO Box 6021
Parliament House
Canberra ACT 2600

Submission to the inquiry into food security in Australia

Dear Committee Secretary,

The purpose of this letter is to share research and analysis conducted by the Institute of Public Affairs ('IPA') into food security in Australia with the House Standing Committee on Agriculture ('the Committee').

Australia produces enough food to feed 75 million people - its population three times over. As the Committee has acknowledged, however, the agricultural sector is faced with significant supply-side challenges, including input costs and availabilities, and regulatory barriers to production.

Two of the most significant threats to food security in Australia are the growing burden of environmental red tape (or green tape) and the policy of net zero CO₂-e emissions by 2050, both of which rest to a considerable extent on contested science around the effect of anthropogenic greenhouse gas emissions.

Strengthening food security necessitates abandoning the policy of net zero by 2050 and committing to an ambitious programme of red tape reduction.

Environmental red tape

IPA research finds that since 2000, spending on the Commonwealth's environmental bureaucracy has increased by close to three times the increase in the size of the agricultural industry nationwide. Staffing in the federal environmental bureaucracy has increased by over 250%, while agricultural employment has declined by over 25%.

The trend is reflected at the state level as well. For instance, Western Australia has increased the size of its environmental department staffing by over 300% while agricultural employment has declined by 35%.

Employment in Queensland's environmental department has increased by more than 50% while employment in agriculture has halved.

The enactment and enforcement of legislation like the *Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Act 2019* (Qld) and the *Vegetation Management and Other Legislation Amendment Act 2018* (Qld) have resulted in many farmers facing the prospect of losing vast spans of their land and control over their property.

The *Climate Change Act 2022 (Cth)*, *Climate Change (Consequential Amendments) Act 2022 (Cth)* and the Australian Government's methane pledge threaten additional red tape, thus increasing political risk associated with business investment and development in the agricultural industry.

Forthcoming IPA research finds that red tape is at its highest level on record, much of which has significant negative direct and indirect impact on the agricultural sector.

Net zero emissions by 2050

The policy of net zero emissions by 2050, and the rapid switch to renewables it requires, will further threaten Australia's food security by making food production more expensive and resources less readily available.

By way of an example, IPA research estimates that achieving the goal of net zero emissions by 2050, under the Australian Energy Market Operator's Hydrogen Superpower plan, could require up to 8 million hectares of land, much of which will be Australia's prime agricultural land. This is the equivalent to just under 40% of land that is used to grow crops such as wheat, sugarcane and canola.

A study by the Australian Bureau of Agricultural and Resource Economics finds that the growth in the value of crops produced in Australia over the last 20 years has been driven by the growth in quantity produced rather than an increase in commodity prices because market prices for Australian crops have actually declined. Decreasing the amount of land available for farmers to grow crops, in order to make space for wind and solar farms, will have a detrimental effect on Australia's already struggling agricultural sector.

Energy and transport costs account for a significant portion of the cost of producing and delivering Australia's agricultural output.

IPA research has found that, under net zero, the closures of six large coal-fired power stations across the national electricity market could result in a 310% increase in wholesale electricity prices. This is expected to translate to a 150% increase in retail electricity prices for farmers.

The Committee has acknowledged that many of the issues surrounding food security in Australia relate to input costs borne by farmers. This is only a part of the story. The rising cost of energy, increasing environmental red tape on food producers, taxpayer-funded incentives to reduce if not cease agricultural production to accumulate carbon credit, and the incentive to lease or sell arable land to build solar and wind farms, all have the effect of disincentivising food production in the name of resisting climate change.

The effect of anthropogenic greenhouse gas emissions is contested

The policy of net zero emissions by 2050 and much of the green tape affecting food producers is founded on contested science around climate change that should be the subject of open debate and inquiry, and taken into account in policy formulation.

For example, a recent study by physicists and meteorologists, Alimonti, Mariani, Prodi and Ricci (2022), published in the *European Physical Journal Plus*, presented a time-series analysis of tropical cyclones, tornadoes, precipitation, floods and droughts all across the globe. Their review raises questions about the notion that the earth is undergoing a climate emergency, marked by extreme climate events, especially one of anthropogenic nature.

The notion that higher atmospheric CO₂ concentration poses a significant risk to agricultural production more specifically is also contested.

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In fact, according to studies reviewed by Alimonti et al (2022), an increase in atmospheric carbon dioxide presents considerable opportunity for the agricultural sector:

[G]lobal plant biomass has changed significantly in recent decades with a phenomenon known as global greening which indicates the significant increase in productivity of ecosystems (agricultural and natural) that in recent decades was mainly highlighted by satellite monitoring ... [A]t the roots of this global phenomenon is the increase of atmospheric CO₂ concentration that is increasing leaf-scale photosynthesis and intrinsic water-use efficiency. The direct response to these phenomena is the increase in plant growth, vegetation biomass and soil organic matter.

This means that there is evidence to suggest that an increase in CO₂ concentration in the air is conducive to plant growth and could potentially be beneficial to food production.

Recommendations

Based on our submission, we propose the following recommendations:

- The Australian Government should announce a moratorium on all new regulation being imposed on the agricultural sector for the next five years and encourage state governments to make the same commitment;
- Subsequently, the government should introduce a one-in-two-out approach to introducing new regulation, whereby two pieces of regulation are repealed for every new piece of regulation introduced;
- The Australian Government should cease the regulation of any agricultural activity already regulated at the state level to remove unnecessary duplication;
- The Australian Government should immediately repeal the *Climate Change Act 2022 (Cth)* and reverse amendments made under *Climate Change (Consequential Amendments) Act 2022 (Cth)*;
- Both major parties should reconsider their commitment to the policy of net zero emissions by 2050 and the pace at which renewable energy is integrated into the energy system.

IPA research, used and referenced throughout the letter, is contained in the attached reports. I wish to thank the Committee for the opportunity to provide this submission. Please do not hesitate to contact me (kyou@ipa.org.au) for queries relating to this submission.

The IPA welcomes the opportunity to appear before the Committee should the opportunity be provided.

Kind regards,

Dr Kevin You
Research Fellow
Institute of Public Affairs