
General discussion

An observation from one participant that ‘we are better at managing the economy than at managing our natural resource assets’ opened the discussion. In response, another participant countered that the economy and environment were intertwined and it was pointless to separate them.

Professor Freebairn’s emphasis on economic efficiency was questioned by one commentator, who argued that resilience — that is, the ability to absorb shock — was equally important. It was suggested that some industries, for example dairying, may have become more efficient, but in doing so, had become less resilient.

In response, Professor Freebairn commented that where the market was working effectively, the private sector was better equipped than government to manage issues such as resilience. There was a role for government, however, in cases of market failure, but even when the case can be made, there is still a question as to what form the intervention should take, and what criteria should be used to measure its effectiveness. Arlene Buchan added that authorities charged with managing the environment should have clear objectives, adequate funding and be free to operate without political interference.

Drew Collins was asked to elaborate on the disadvantages of a ‘sustainable consumption’ ideology. He replied that sustainable development was not necessarily about the amount of consumption *per se*, but overall stewardship of the economy including our environmental legacy. Approaches to sustainability, narrowly based on limiting consumption growth to that achieved from technical efficiencies, may only have a small overall impact on environmental sustainability. ‘My concern is that we have a poorly defined sustainability goal in an operational context ... what we are seeing is a belief within the community that there is an inherently correct level of consumption that if achieved, means the rest will look after itself.’

One participant commented that resistance to market-based reforms, noted by Drew Collins and Arlene Buchan, was actually resistance to government involvement in resource allocation in general — similar resistance would be experienced against other forms of government action (for example, planning or regulation). Drew Collins suggested that adjustment support policies, rather than constraints on

market-based instruments, should be used by governments to overcome any negative impacts of reform.

In relation to the water buyback program, one participant asked what the recovered water will be used for, and whether there was adequate understanding of the environmental assets to be maintained. Arlene Buchan argued that although more information was needed about the ecological assets and hydrological needs of the Murray Darling Basin, the significant loss of environmental assets that has already occurred means that ‘no-one can run the argument that getting water back to the environment isn’t an absolute priority ... at the moment, any water buyback, any water reallocation, is a good thing’. The \$50 million that the Commonwealth Government has already spent on buying back water was specifically targeted to restoring ecological assets, she said. Professor Freebairn suggested that one area for further debate was the right to store water.