

Wednesday 6 July MBI Workshop Report Back — Stewart Whitten, Drew Collins.

Stewart and Drew presented the findings of the practical sessions from each of the workshop and highlighted the different results. See overheads.

- Acknowledged that Market based instruments were just one in the set of tools available.
- Discussion about the pros and cons of incentive mechanisms in comparison to attitudinal change.
- Discussion about importance of knowing the outcomes sort and having an indication of the costs.

Thursday 7 July Panel Discussion.

Michael Lester
David Borthwick
Neil Byron
Jora Young
Greg Bourne
Michael Buxton.

After the main presentation sessions, participants were given an opportunity to ask questions of the panel.

First question to Greg Bourne regarding the paradigm shift

Second question. With eco services occurring in Rural Australia where the rate base is small, what is the best way to raise funds to pay for the eco services that benefit both rural and urban areas. There needs to be a transfer from urban area's. What is the best way forward.

Neil Byron responded that he didn't think a single user should pay. There needs to be a mechanism that allows for all those valuing the services to pay for them.

David Buckingham indicated that The NHT was a modest way of getting funds into rural areas. However, it is a relatively small amount of money to leverage local behaviour. He also acknowledged that there is not enough tax payer funds to pay for all eco services across Australia, so instead governments will need to assess what are the best investments to be made.

Third questions. All the talk about pros of incentives, but need to recognize there is a need for regulation in the mix.

Michael Buxton commented that traditionally there was a reliance on regulation. Looked to the case where in Victoria they had stuck with regulation, however, in SA they went down the property rights approach and purchased directly. This cost a lot.

Neil Byron. Commented that he is not against regulation. That in fact you need good regulation underpinning any market based instrument. He also cautioned, saying that were regulation is prescriptive there is possibility of adverse outcomes. Much of the environmental problems of today are a direct result of past government regulations.

Question four. How do you deal with the implications of adverse economic circumstances having implications for landholders who recognise opportunities but do not have the means to take them up.

David Borthwick. Governments will not be in a position to pay farmers right across Australia for provision of all eco services. This will not be the answer.

Internationally regulation always in the mix. Sometimes this has been bad legislation sometimes there has been enforcement problems.

It is important that limited resources get to areas that are mission critical or of high priority. This will not mean funding will be available right across the whole country but rather priorities will need to be identified. Resources will be distributed according to decisions made Government reflecting the preferences of Industry and the community.

Question. Is there any comment from the panel on demand side management for controlling city size, particularly population control?

Michael Buxton. Population control is not an option being considered. Will not be seen as the answer.

David Borthwick. See concentrated urban development as the way to go. This is more likely to occur if it is pushed in terms of the economic benefits.

Question. Any views from the panel on the removal of land from production as an option.

David Borthwick. Structural adjustment is an issue.

Commented that the Environmental fund has drought focus this year in recognition of reality, to help people who are drought stricken reserve what they have on their land already.

Government decisions of the past have caused problems with blocks too small, development of marginal land, regulation that encouraged the clearing of land and over exploitation of resources etc. So there are huge adjustment issues to tackle. Although it has to be managed. There may be unforeseen repercussions of people moving off the land, for example see them moving to the coast and causing stress there.

Doesn't believe that there are any hard and fast rules that can be applied, it is really a political decision made by our representatives, reflecting our collective pressures on them.