T R A N S C R I P T

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Ecosystem Decline in Victoria

Melbourne—Wednesday, 21 April 2021

MEMBERS

Ms Sonja Terpstra—Chair
Mr Clifford Hayes—Deputy Chair
Dr Matthew Bach
Ms Melina Bath
Dr Catherine Cumming
Mr Stuart Grimley
Mr Andy Meddick
Mr Cesar Melhem
Dr Samantha Ratnam
Ms Nina Taylor

PARTICIPATING MEMBERS

Ms Georgie Crozier
Mr David Davis
Dr Tien Kieu
Mrs Beverley McArthur
Mr Tim Quilty

WITNESS

Dr Brian Coffey, Vice-Chancellor's Research Fellow, Centre for Urban Research, RMIT University.

The CHAIR: I declare open the Legislative Council Environment and Planning Committee public hearing for the Inquiry into Ecosystem Decline in Victoria. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the traditional custodians of the various lands which each of us are gathered on today and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings.

I would also like to welcome any members of the public who may be watching these proceedings via the live broadcast as well.

At this juncture I will take the opportunity to introduce the committee members to you. I am Sonja Terpstra, I am the Chair of the Environment and Planning Committee. Mr Clifford Hayes is the Deputy Chair, and we have Dr Samantha Ratnam. Over to the Zoom we have Ms Nina Taylor, Stuart Grimley and Dr Matthew Bach. Back in the room we have Mr Andy Meddick and Mrs Bev McArthur.

All evidence that is taken today is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

If I could get you, for the Hansard record, just to state your name and the organisation you are representing today.

Dr COFFEY: My name is Brian Coffey and I work at RMIT University.

The CHAIR: Okay. Thank you very much. With that, we will get you to commence your opening remarks. Please keep to about 5 minutes. That will allow plenty of time for committee members to ask questions. Over to you.

Dr COFFEY: Thank you. Thank you very much for the opportunity to contribute. I also acknowledge the traditional owners. Our business is being conducted on unceded lands and water.

Given the tight timing, I will cut straight to the chase of my submission. In broad terms my basic argument is that our ecosystems are in serious decline, which has profound social, economic and environmental implications. I also argue that transformative change is required. We need to shift the trajectory of development towards sustainability so that our economy fits within our ecology while still meeting people's needs. For too long we have tried to fit nature into the economy. I would argue that we need to fit the economy into nature. This requires far-reaching structural and social change, something akin to the industrial revolution. Rather than merely incremental improvements in programs or a little bit more money here and there, we need systematic structural change.

Some of the evidence for this comes from the global level and the state level, and they are detailed in my submission, but for a flavour of the global evidence, at the release of the intergovernmental panel for biodiversity and ecosystem services report in May 2019, Sir Robert Watson, the chair, said:

> We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide.

The IPBES also state that we need 'transformative change', and when they say 'transformative change' they understand that as a fundamental, system-wide reorganisation across technological, economic and social factors, including our paradigms, our world views, our goals and our values. So that is a really profound sense of change of direction.

Thankfully governments are actually uniquely equipped to facilitate such changes, and so what I want to do now is just briefly outline some of the ways in which I think some transformative change could be progressed in Victoria through some of the recommendations in my submission. Firstly, I would suggest that the Victorian government should embrace sustainability as a whole-of-government undertaking, and that there are really good models for this from the OECD and in particular Sweden, who have a system of environmental objectives. The Swedish goal for their environmental objectives is to hand over to the next generation a society in which the major environmental problems have been solved without increasing environmental and health problems outside Sweden's border, and that is in an act of Parliament. Then they have got a set of environmental objectives, a set of milestone targets and then really systematic processes for monitoring progress towards those targets. So that would be the first thing I would suggest the Victorian government could do.

Secondly, I think we could broaden the charter of the Victorian Auditor-General's Office to include environment so that the Auditor-General then investigates the economy, efficiency, effectiveness and ecological impacts of government programs. This might sound pretty novel, but there are examples in Canada where they have got a commissioner for environment within the Auditor-General's office, or if you look closer to home, in New Zealand they have got a Parliamentary Commissioner for the Environment who reports to the Parliament through the Speaker and a parliamentary committee. They have hit the news recently for raising awareness about freshwater pollution in New Zealand.

We could also request the state public sector commission to investigate the environmental capacity of the Victorian public sector. We have got lots of people who are trained in economics, we have got lots of people who are trained in business management, we have got lots of people who are trained in project management, but do we have the ecological literacy that we require to actually govern the environment sustainably? I would argue not. I would argue we actually do not have much evidence about the capacity of the public sector or the literacy of the senior public servants or the public sector officers who are responsible for advising government on environmental matters. I would also request that an environmental charter or an environmental duty of care clause could be inserted into the Victorian public sector codes of conduct so that every Victorian public servant has a responsibility to act responsibly.

Then, finally, I think it would also be useful for the committee to request that the government invite the Victorian Environmental Assessment Council to undertake a statewide investigation into the drivers of ecosystem decline in Victoria, so then they could systematically look across the state and within each region at what are the direct and indirect drivers of ecosystem decline and then seek to systematically address them and identify ways to address them. That concludes my comments.

The CHAIR: Great. Thanks very much. I will now open up to questions. Mr Grimley, if I can throw to you first.

Mr GRIMLEY: Thank you, Chair, and thank you for your submission, Doctor. I have a question just in relation to when you spoke about the commissioners in Canada and New Zealand. In particular Canada has a Commissioner of the Environment and Sustainable Development within the office of the auditor-general. Can you please describe to the committee to the best of your knowledge the commissioner's role and the impact that that role has upon the protection and restorations of ecosystems?

Dr COFFEY: That is a very good question. I think it is a really difficult thing to assess because there has been not much research done into these offices surprisingly. I think the thing that I can say is that having these kinds of roles structurally embedded in really important public accountability offices is a really key achievement. So even though they are not making the headlines, they are driving change through their position within these authoritative public accountability offices. I think the important thing is that having these strong foundations for public environmental accountability really contributes to the public accountability of government decision-making at the very centre of government.

While we have a Commissioner for Environmental Sustainability in Victoria—it reports through the environment portfolio—the profile is really low. It has been around for 20 years; I do not think anybody really knows about it. Their powers are quite weak. When the office was originally proposed, they were going to have a strategic audit function—that they would systematically assess compliance with environmental legislation. That seemed to not get picked up. So I think there is a lot of room to strengthen the commissioner's role. You could potentially transfer the office of the Commissioner for Environmental Sustainability into the Auditor-General's office to fulfil that more central public accountability operation.

Mr GRIMLEY: Wonderful. Thanks, Doctor. Just one more question—a quick one if I can, please, Chair—and it goes on the topic of other jurisdictions. Your submission also includes an attachment describing Sweden's approach to integrating environmental objectives into all areas of governance. I am just interested to know if you can elaborate to the committee, please, if there are any results that this approach has generated and what is your opinion on how this could operate within Victoria.

Dr COFFEY: I am a big fan of the Swedish approach. I am also aware that some of the research evidence is saying that it is not like 'the silver bullet'. That is completely understandable. There have been concerns about the way in which the objectives have been defined—that some of them are more aspirational, some of them are more kind of prosaic. There are some concerns that if you focus on a narrow number of objectives, then you ignore things that are not included in the objectives. And then, more pragmatically, there are concerns that the targets and objectives are not actually being met. They are kinds of things to actually worry about, but nonetheless I think that is actually a really powerful approach. You are putting in an act of Parliament to say, 'We want to solve our environmental problems within a generation'—in a piece of legislation. You have got 16 environmental objectives in that legislation. You have got then targets that help you to track your progress towards those objectives, and you have got a really systematic way of monitoring progress that involves parliamentary committees, government agencies, politicians and members of the public. They require the different industry sectors to actually develop sectoral strategies about how they are going to reduce the environmental impacts of their operations.

In Victoria there is a huge opportunity to actually implement this. If you look at the Department of Sustainability and Environment—or the Department of Environment, Land, Water and Planning as it is now—in their strategic plan they have got a set of environmental objectives. With some kind of tweaking you could use them in a statewide act, which would be kind of pretty straightforward. In the Victorian *Climate Change Act* you have got a requirement for sectoral strategies about climate change adaptation. You could broaden that out and include sectoral strategies to address biodiversity decline as well. So there are lots of the elements around in Victoria's approach, but they are never brought together into one coherent strategy which gives you a coherent sense of direction, a clear sense of purpose and a sense of urgency.

Mr GRIMLEY: Wonderful. Thank you very much.

The CHAIR: Thank you. Ms Taylor.

Ms TAYLOR: Yes, I am all right actually for now. I will let some others ask questions. I just want to think a little bit further. Thank you.

The CHAIR: Sure. No worries. Well, I might ask a question, if I can, just following on from that. Are you aware of the *Biodiversity 2037* plan?

Dr COFFEY: Yes.

The CHAIR: So what are your views about that plan as an overarching approach?

Dr COFFEY: What I would say in a general sense, like so many things in Victoria, is: looks pretty good but is it actually delivered?

The CHAIR: Thank you. I am glad there are comments.

Dr COFFEY: And part of the issue—one of the really laudable things—is they want to connect people with nature, but how do they propose to do so? It seems like it is just business as usual. There is no sense of actually driving the education of the community that we actually rely on the ecosystems in which we live in order to survive. The ways in which it is measured and the baseline data seems to be quantitative: how many people have visited a national park. It is kind of all 'out there'; it is not actually connecting people with nature. So I think there is much more work to be done there. That would be all I would say at this point in time.

The CHAIR: And one of the themes that is emerging—I mean, it is an opportunity for you to expand on and explore this, really—is that you are saying it is laudable and it looks good but there is more work to be done. So what would that look like? One of the things you mentioned was connecting people with nature. So from a practical point of view, what do you think that looks like?

Dr COFFEY: What I would say in relation to that is we can put all these little safeguards in place around biodiversity within the environment portfolio. What needs to change is the way in which we do development. For example, on the news yesterday there was somebody talking about platypi in western Victoria. These animals are being damaged and killed by something as simple as a hair tie or something that has been used to tie back hair but has gone onto the platypus. How on earth do we actually address that? That is not just an incidental thing. It is part and parcel of the way in which we live our lives.

The CHAIR: It is about litter, right? It is about: how did that end up in the waterways?

Dr COFFEY: Why do we generate litter? How do we generate litter? There are gaskets, fishing lines. You see the pictures of turtles with the ring pack things around them. These are not incidental. They are completely associated with the way in which our economic systems and our society operate. So what we need to do is actually start looking at how the economy operates, not the environment. So my reforms are to actually shift the trajectory of economic development so that we get rid of plastic, get rid of non-biodegradable substances, get rid of packaging. If you think about the government's commitment to a circular economy—again, very laudable. One of the things, though, is it seems to be more concerned with stabilising the waste management industry than actually reducing waste.

The CHAIR: So are you aware that the government has announced we are going to get rid of some plastics?

Dr COFFEY: Yes.

The CHAIR: So there is work being done. You acknowledge that.

Dr COFFEY: Yes, totally.

The CHAIR: One final thing on some of the things you talk about, just in this discussion your evidence was about some of the goals we need to set. You talk about resolving our problems for the next generation and within a generation, but do you acknowledge that some problems will resolve, we can work on them, and others will then crop up? So are you saying it is a static thing or do you acknowledge that different things will come up at different times and we need to be adaptive? Okay, we are seeing other new problems and we need to then adapt, because we have a static approach. Is that the best approach? Maybe not.

Dr COFFEY: Change is constant.

The CHAIR: Correct.

Dr COFFEY: No dramas about that. I think, though, a sense of purpose and a sense of direction is what has been missing. So we do not have a sense of urgency, direction and purpose for our environmental governance. We need to say, 'We actually want to solve our environmental problems by this point in time' and work as hard as we can to get there. There is an economist who is getting a lot of attention, Mariana Mazzucato. She is saying this kind of moonshot guide to capitalism, moonshot guide to protecting the planet: let's actually set the goal and go out and drive the change to achieve it. That is the kind of thing that government needs to do, and government is the only institution in our society that is in any way capable of driving these changes. It needs to set its heart and mind to those missions.

The CHAIR: Thanks. Mr Meddick.

Mr MEDDICK: Thank you, Chair. Thank you, Dr Coffey. Just before I ask my question, I just wanted to let you know that I watched a very fascinating program on the ABC the other night where a company in Brisbane is actually manufacturing all sorts of products that are biodegradable out of mushrooms and one of those is a sixpack holder.

Dr COFFEY: Wonderful.

Mr MEDDICK: So if it does actually get into the waterways, the animals can actually eat it without any problems.

Mrs McARTHUR: I might try it myself.

Dr COFFEY: Totally.

Mr MEDDICK: Well, this is the sort of thing that we are talking about: finding innovative solutions that are part of an economy that does not harm the environment.

Dr COFFEY: But it cannot be piecemeal. It needs to be systematically driven so they look for those solutions; they do not just happen to pop up.

Mr MEDDICK: I just thought it was worth mentioning—

Dr COFFEY: Yes, totally.

Mr MEDDICK: because it is a good example of companies adapting—what you were talking about before—from having a baseline of these drivers of the biodiversity decline and then looking for the solutions that can work around that in a commercial sense. That brings me to the legislation aspect of it. You stated that it is not fit for purpose. In your opinion, should we then be looking at all types of legislation across the board here and saying, 'Well, we need to identify and examine these five drivers'—as another witness has said—'These are the five drivers, so we therefore need to alter as much legislation as is practicable using that as a basis point'? I think you would acknowledge it would be an absolutely enormous task to do that.

Dr COFFEY: Yes.

Mr MEDDICK: Secondly, when I think about the environment and the protections that we have, the laws that we have, quite often it is not so much that the law itself is bad—the law itself can be written extremely well—but its implementation and enforcement are bad. If we are going to introduce targets, like they have in these other countries, that is great, fantastic—I am all for that—but in the private sector, for instance, if a CEO does not meet their KPIs, well, they do not get a bonus or they may end up getting the sack. What I am talking about is: what are the ramifications? If we are going to enforce real targets upon government, what are going to be the ramifications if it does not meet those targets? That is what we do all the time—we have this great legislation, we say, 'We're going to do this, we're going to do that', and we have got this plan, and then when it does not get met there is a bit of angst and hand-wringing in the media and that is as far as it goes. Nothing happens.

Dr COFFEY: A very good question. I might respond in two ways. You talked about the legislative review as a massive undertaking. We actually have experience in that in Australia. If you think back to the national competition policy in the 1990s, there was an agreement through COAG that every single piece of legislation across the state would be assessed against competition policy principles. The way in which they did this was through COAG, through a piece of legislation, through buckets of money being attached to going through this kind of review process run out of the central agencies with line departments having to report regularly against their progress on these matters. There is a really nice paper which compares Australia's national strategy for ecologically sustainable development versus the competition policy, and they are like chalk and cheese. With the things that need to be done to drive change in competition policy it is tick, tick, tick, tick, tick, but in sustainable development it is cross, cross, cross, cross, cross. If we have the sense of purpose to do fundamental legislative review, it can be done because we have done it before in relation to competition policy.

In terms of enforcement, a really good question and a really important question but also a really challenging one is: how do you enforce? Do you fine public servants for breaking the law? I think that would be quite difficult. But I think the important thing is the importance of public accountability—that they must be made publicly accountable. So that means transparency, that means that the community of Victoria can actually decide whether or not they want that government to continue. It is a matter of public accountability, and I think that is critically important.

Mr MEDDICK: Great. Thanks so much. Thank you, Chair.

The CHAIR: Ms Taylor.

Ms TAYLOR: Thank you for your contribution. I am just trying to understand where you are coming from. I know the government announced the objective to reduce waste going to landfill by 80 per cent. You said the government was not interested in reducing waste and yet there are specific objectives on that. What I am hearing is a bigger, broader scale, perhaps even a more national scale of legislation, from where you are coming. It just felt like a bit of a blunt instrument from where you were coming from. I just want to understand that better.

Dr COFFEY: The basis for my comments is a close reading of the *Recycling Victoria* strategy and a discussion paper put out around the establishment of the waste management Act and then some advice from Infrastructure Victoria to the Victorian government about waste infrastructure. What comes through is the concern about recycling at the beginning, that it is very much focused on recycling—the title of the document is *Recycling Victoria*. There are questions about the introduction of four bins. We have got four bloody massive bins in every street. Do we need that many bins? Surely the idea would be to reduce the amount of waste people need to dispose of.

The other thing I would say about that is the way in which the government understands its role in this field. So one of the things they talked about in *Recycling Victoria* was, 'We will think of waste as an essential service'. However, they chose not to regulate waste like an essential service. So what my reading of it is is: good intentions, but the set of assumptions underpinning the way in which they have approached the matter is this kind of traditional, narrow, small government approach that looks at correcting market failures rather than seeking to actively, purposefully and with a sense of urgency shape and direct the economy and the society.

Ms TAYLOR: I do not mind the bin strategy. I think it is a good way of separating it out, keeping items cleaner so they can be repurposed, and you reduce overall use. But anyway, that is fine. I am just getting your opinion, that is all—just understanding you.

The CHAIR: Dr Ratnam.

Dr RATNAM: Thank you so much, Dr Coffey, for your work and your presentation today. A couple of questions—I might ask them together and we will see how much you can answer today, or you can take them on notice. Firstly, I was interested in your submission. You have talked about it today as well, but your written submission talks about really serious governance reform in terms of environmental laws, and certainly something we have heard through this inquiry as reforming our nature laws is one intervention that is available to us as a parliamentary inquiry and to government. I am taking it to mean that your idea of governance reform is not just about laws; it is kind of beyond that and not just about laws.

Dr COFFEY: Yes.

Dr RATNAM: I would like you to expand on what you think governance reform in terms of biodiversity decline could mean. So what are the practical things government should be doing with governance reform? I will ask the second question after that.

Dr COFFEY: So maybe I will start by saying that the journey we are on is a massive journey, so anything we can do to facilitate that journey is good. We have got lots of things happening, but if we do not change our institutions and reform the sense of direction, we are unlikely to be successful on our journey. One of the things that seems to come through is the ecological literacy of our public servants: many in the environment department are probably ecologically literate; in other parts of government they are probably less so because they are just not exposed to this kind of background of thinking. So by ecological literacy I mean a fundamental basic education that understands the nature of the environment and our relationships with it. There is a definition in my submission that has been used in UNESCO, but it is a pretty straightforward kind of definition.

One of the things would be to think about the people in treasury. What are their backgrounds? They would most likely be trained as economists. Not to disparage economists, but there has been research done about the way in which economists are trained, and they are trained in a really narrow way; they conceptualise the relationship between the economy and the environment in terms of the environment being just an input to the economy. There is this whole range of economic thinking now which is challenging that, but our mainstream economics schools have not caught up with that, so it is hard to expect then that our treasury officials would understand that if they have received that same narrow training.

So there is an economist who is getting a lot of attention, Kate Raworth, around doughnut economics. You have got the environmental carrying capacity, then you have got the social foundations and then you provide a safe operating range for the economy. That is a completely changed way in which an economist would think, and I would hesitate to think whether our treasury officials or officials in many other departments would have that same kind of understanding. I am also aware of some research that has been done to say that our public management theorists, scholars and practitioners have completely neglected climate change and environmental governance. So there is a whole lack in the field of public management theory and practice about what it means to govern the environment. Thirdly, I am also aware of somebody who has done a PhD who has kind of

surveyed senior public servants across Victoria around how well they understand sustainability and the UN SDGs, and their conclusion is: well, they actually do not understand them very well.

The CHAIR: But they not be required to understand that as part of their job, though. It really is about horses for courses and whether they are required to or not.

Dr COFFEY: No, but it is not. It is a basic, fundamental understanding of what it takes to govern, and if we do not understand that we are reliant on the planet and the ecosystems which support our economies and our societies then the advice they are giving to their managers is going to be misleading. So my argument is that we need to establish ecological literacy through including a clause in the public sector codes of conduct so there is an expectation that our public servants are ecologically literate, and I would also suggest that we could establish some kind of training courses to help them develop this kind of sense of ecological literacy. I would also suggest that the state public service commission could undertake an assessment of the environmental capacity of the Victorian public sector to practise good environmental governance, because for me ecosystem health will only be addressed when the way in which we do development in Victoria is addressed.

Dr RATNAM: Can I ask one more question?

The CHAIR: Very quickly, because we are running out of time. We have got two more, but go on.

Dr RATNAM: No problem. Thank you very much.

The CHAIR: There are questions on notice of course as well.

Dr RATNAM: Yes, that is fine. It if it is too big to answer now, that is fine; I am happy to take it on notice. I was interested in your commentary so far about the role of government. We started talking about this a little bit more regarding *Biodiversity 2037* and its pre-eminent goal, its first goal, connecting people with nature, which is one of course I fully support and we all support. But we have also been talking about how you balance that with the role of government. I am interested in your kind of feedback or commentary about how we balance that, because we have heard that some of the most significant drivers of biodiversity loss are whole-scale landscape issues like climate change, habitat loss and invasive species, and it strikes me that you can only address those big drivers through government whole-scale action, yet we are seeing the first goal being about individuals taking more responsibility. So I am just wanting your commentary about: how do we see through that and get the right action and the right resourcing for those big drivers?

Dr COFFEY: That is a really interesting question because I believe that government by virtue of its authority is uniquely placed to drive the kind of changes that we needed, but part of that is also having a really educated, aware community to actually drive and exert political pressure on the governments of the day. But I think one of the things that has happened through the mindset about how we approach government is responsibility has been completely individualised. That is really, really problematic because you are expecting people who live in the outer suburbs to take a bus on a poorly connected system where the bus does not operate after 6 o'clock to get into the city. We are asking people to take account and overcome the structural limitations of how they are living, and I think that is a really unfair thing to do. But by the same token we actually want people to be actively committed to nature. I think the goal of the biodiversity strategy about connecting people with nature is useful, but it is not the be-all and end-all. There is a more critical role for government, and government has a critical role in actually helping build this nature connection.

The CHAIR: Mr Hayes.

Mr HAYES: Thanks very much, Dr Coffey. Once again it is music to my ears what you are saying. There are huge structural problems to overcome. I had a long-time interest in planning and thought that the legislation, the original 1987 *Planning and Environment Act*, was quite a well-written act. It says to make planning decisions at the local level and also that social, economic and environmental factors must be given equal consideration, when really it has evolved and due to pressure from industry mainly it has ended up that the economic issues are the primary concerns when planning decisions are made. I am just wondering how we change this. I mean, the government makes announcements and sometimes good legislation is enacted, but the way it is implemented and the way subsequent regulations are designed are all done at the behest of the people that contribute money to or influence the government, like industry. That has also happened with the recycling industry and the good intentions. The major players have not wanted to play along and have wanted governments to do their bidding. How do we change that? You say the population should put political pressure on the government, and that is great, but look at what has happened with climate change. Most people want

governments to respond, yet here in Australia they are very loath to respond due to industry pressures. So these are big problems for us to overcome, and deregulation has been the watchword, you know, that governments should get out of regulating and controlling industry. How do we try and swing things back again? We need regulation. We need sensible regulation.

Dr COFFEY: I completely agree. We need strong regulation and we need sensible regulation. If you think back, the mantra of government in the 90s, 2000s, and arguably still today, was that government is getting in the way of business, so we have got to get rid of government, we have got to deregulate and free up the private sector. Now, the work of Mariana Mazzucato is saying if you want to drive change, government is actually centrally involved in driving and shaping markets. The government is actually creating public value and the government is influential in driving private value, so she sees a really active role for government. I think part of the issue is just the people involved in these processes actually need to come into that awareness of, 'Yes. We actually do have a responsibility and we have the power and the authority to actively call out and resist this pressure'. It is just a matter of calling the bluff. This is a bit of a leap, but that is what Brittany Higgins has done around sexual harassment and her alleged rape. She has called the bluff and made it transparent, called it out and then the light is shining. So I think that is really important thing of just calling these issues out.

Mr HAYES: Thank you.

The CHAIR: Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. And thank you, Dr Coffey. Now, you say that economists need to be injected with some ecological, environmental credentials.

Dr COFFEY: Yes.

Mrs McARTHUR: Would you agree that probably we could have environmental scientists injected with a bit of economic qualification? It seems to me that it is a bit of one-stop shop where you are going. Just going to a variety of things, you have suggested we need another commissioner. We have got commissioners on steroids here in this state. They are well paid—in the vicinity of a quarter of a million. I would not be surprised if we had did not have a commissioner for happiness; we are producing them at a great rate. And you are quite right, though, what have they achieved? Where have we got the outcomes column in the spreadsheet of what government does? We are already, I think, almost the most over-governed country in the OECD, and what do we achieve? Frequently government gets in the way not only of productive industry—and Mr Meddick pointed to a solution of an environmental problem not being produced by government but being produced by the private sector, who frequently see opportunities and run with them and produce solutions to problems. Government mostly creates the problems in my view.

You mentioned bins; you do not like bins. I have got to tell you, in Copenhagen there are seven bins. Scandinavia would be considered a major driver of environmental solutions, and they have a very good circular economy. They actually have very significant waste-to-energy programs, and they do it, it seems, very well. I think they are lauded worldwide. So I am taking it you do not really support the capitalist system as it is, but in the end somebody has got to pay for very good environmental protection and activity. So perhaps you would like to comment on some of those aspects of my position in your presentation.

Dr COFFEY: Thank you. I think you may have misinterpreted some of my comments, but I think you raise some really interesting points. To get the final one out of the way, Sweden is a capitalist country, so I have no problem with capitalism. I also look to Sweden as an environmental leader, and I think it is actually making some good steps. It is far from perfect and it needs to do better, but it is recognised globally as a leader in environmental policy in many aspects.

With the bins, I was just using that metaphor or example as a way to say what we should be really focused on is actually trying to reduce the amount of waste that needs to be disposed of rather than focusing on having more bins, so that was my comment there. You also talked about the role of government and—

Mrs McARTHUR: The size of government.

Dr COFFEY: the size of government. If we look at the recent COVID crisis, I think you would rather be in Australia than just about anywhere else in the world, and I think Australia's excellent performance in that is because our governments have taken it seriously. We have had effective public institutions—that is,

government—and we have got a citizenry that has actually been prepared to go along with government in this way.

Mrs McARTHUR: And we have had an extreme invasion of personal liberty and freedom.

Dr COFFEY: Yes, but—

Mrs McARTHUR: And a massive loss to the economy and jobs.

Dr COFFEY: I am not here to discuss or debate you on that.

Mrs McARTHUR: Well, you raised it.

Dr COFFEY: No, but I am saying we have survived the COVID crisis better than many other countries.

Mrs McARTHUR: And we have become an island state.

Dr COFFEY: I would also say about the role of government in generating private sector activity—and this is why the work of this Mariana Mazzucato is so important—the traditional mantra is that government crowds out capital, so it crowds out the space of the private sector. What Mazzucato has done is gone back and looked at things like Silicon Valley, the emergence of the internet, Apple, Elon Musk, all those kinds of things, and what she is finding is that government has actually crowded in capital. By the actual role of government, it has created the opportunities for the private sector to then take things on and run with them.

Mrs McARTHUR: Which provides taxes and pays for all the public service.

Dr COFFEY: Yes, wonderful, isn't it? It is a win-win. You are generating quality of life for your citizens, and you are generating a sense of profits for the private sector. So Mazzucato is kind of reimagining the role of government from being one where government does not do anything useful to one where government is actually really, really useful in shaping the way in which our economies and societies unfold. Thanks.

The CHAIR: All right. Well, we have got about 2 minutes left to go, so we might wrap it up there. I would just like to thank you very much for your contribution today. It has been very insightful.

Witness withdrew.