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## Environmental Protection Is No Longer Just Idealism It's Sound Economics

July 17, 2025

– Categories: *Economics*



Protecting the environment has long been framed as a moral or ideological imperative, but growing economic evidence is proving what many have suspected: sustainability is not only responsible, it's financially smart. At a time when global resources are under mounting pressure and governments grapple with cost-of-living and productivity challenges, the case for aligning environmental stewardship with sound economic policy has never been stronger.

Speaking recently at the *National Press Club*, Dr Ken Henry, former Treasury Secretary and current Chair of the *Australian Nature and Biodiversity Foundation (ANBF)* delivered a pointed reminder that economics is fundamentally about choices. In a finite world, there's no avoiding trade-offs. Citing the UK-led *Dasgupta Review* into the economics of biodiversity, Henry emphasised that our current demands on nature vastly exceed what the planet can sustain. Australia, he noted, ranks second only to the United States in overconsuming its ecological resources, using nature at 4.5 times its regeneration capacity.

These aren't just abstract statistics, they reflect real economic risks. Degraded ecosystems lead to reduced agricultural productivity, more costly infrastructure repairs from climate events, and long-term declines in national wellbeing. Yet policymakers, particularly under the current Labor government, seem more interested in slogans than solutions. Instead of fostering practical, incentive-based frameworks that would allow businesses and individuals to contribute to environmental repair, we are often met with rigid targets and bureaucratic interference. This kind of policy risks turning the environment into a political football, rather than a strategic asset for future prosperity.



What's needed is a market-driven approach to conservation, one that recognizes the economic value of biodiversity and rewards those who help preserve it. Natural capital accounting, responsible resource management, and investment in green technology can generate long-term returns without sacrificing productivity. Australia is uniquely positioned to lead in this space, with vast land, advanced innovation, and deep institutional knowledge. But that will require governments to get out of the way and let enterprise play its part. As Dr Henry rightly put it, making better choices about nature is no longer a luxury, it's a necessity. And with the right mix of pragmatism and policy reform, it can also be a profitable one. The smartest economies in the next decade will be the ones that finally stop treating the environment as a cost and start seeing it as capital.