



About the *Guide to environmental accounting in Australia*

Environmental accounting provides a powerful way to factor Australia's unique natural estate, and its immense contribution to our well-being, into policy and decision-making. The Bureau of Meteorology's *Guide to environmental accounting in Australia* (the Guide) describes the environmental accounting process and pathways for implementation.

Why was the Guide produced?

Under the **National Plan for Environmental Information initiative**, the Bureau of Meteorology (the Bureau) is developing an environmental accounting platform for providing Australians with structured information about our natural environment.

The environmental accounting process driving the platform is based on the Guide. The process creates a clear purpose for each account and identifies the best available scientific knowledge.

The Guide aims to improve environmental outcomes in Australia and contribute to the country's long-term sustainability through the implementation of environmental accounts. It is intended as a bridging document for policy-makers, scientists, and accounting practitioners.

Who should use the Guide?

The Guide is for those deciding whether environmental accounts will be of benefit, and, if so, how to go about creating them.

There are careful choices to be made when applying environmental accounting. The Guide and associated ***Environmental account framing workbook*** help users to identify critical decision points and offer strategies to achieve the best outcomes.

What does the Guide include?

Part A of the Guide is an introduction to environmental accounting. It describes environmental accounts and their purpose, and details some of the risks and issues involved.

Part B of the Guide describes pathways for implementing accounts. It provides practitioners with guidance on how to design environmental accounts and outlines institutional and capability considerations for organisations contemplating developing an environmental accounts programme.

Part C is a compendium of technical reference material to support the purpose, concepts, and fundamentals of environmental accounting described in parts A and B.



Figure 1. The *Guide to environmental accounting in Australia*.



Key messages from the Guide

What are environmental accounts?

Environmental accounts are strongly structured tables that provide organised information for a clearly defined decision-making purpose. Systematic and comparable, they use standard definitions based on accepted measurement and accounting theory.

Framework for environmental accounting

The System of Environmental-Economic Accounting (SEEA) is an international standard identified as a suitable operational framework for environmental accounting. Developed with global expertise by the United Nations Statistical Division, it provides a powerful and flexible framework for accounting for ecosystems in non-monetary values, yet also enables strong links to economic accounts. It includes the SEEA Central Framework and SEEA Experimental Ecosystems Accounting; the latter is a framework for taking an integrated view of ecosystem functioning.

Conceptual basis of Australian environmental accounting

The Joint Perspectives Model has been developed to consider the nested relationships of the economic, human cultural, living, and physical Earth systems (Figure 2). It allows for non-monetary valuation of environmental assets; acknowledges that each account depends on the worldview and perspectives taken; and explains how transactions can be usefully viewed from a number of perspectives.

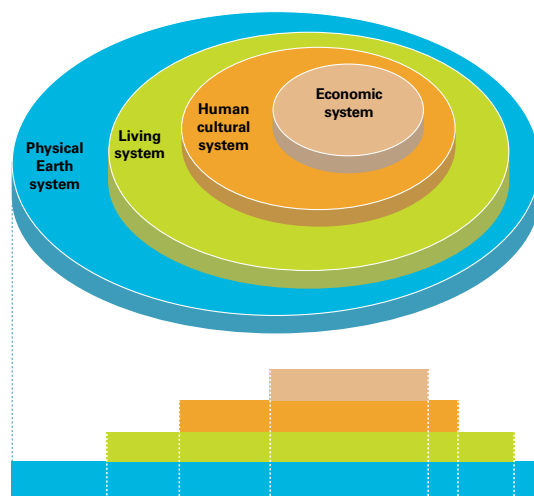


Figure 2. Joint Perspectives Model: in the lower section, system boundaries are vertical white lines and horizontal 'slices' represent the 'perspectives'.

Principles of environmental accounting

To be effective, every environmental account needs to have the fundamental characteristics of relevance, credibility, and legitimacy. To this end, environmental accounts should be based on the following principles.

- Ecosystems are fundamental to human well-being.
- Biodiversity is a fundamental characteristic of ecosystems.
- Ecosystems exist at overlapping spatial and temporal scales.
- Ecosystem services are not independent of each other.
- Environmental accounts should be based on the best available scientific knowledge.
- Environmental accounts should enable tracking of value through time, across space, and between entities.
- Value can be measured using monetary and/or non-monetary methods.

Building on existing work

Despite some inherent challenges, taking an accounting approach to reporting on the environment is achievable. Existing work provides a foundation that can systematically be built upon to achieve this aim. A number of organisations already produce environmental accounts, and the Bureau is working with key partners to develop a platform that can deliver environmental accounts to meet policy and decision makers' needs. Key partners include the Australian Bureau of Statistics and the Australian Government Department of the Environment.

For more information

Visit www.bom.gov.au/environment/activities/accounts.shtml or contact environment@bom.gov.au

