Accounting for the environment
Recognising the benefit our environmental assets contribute to our communities and the economy

Environmental-economic accounting
A framework for decision-making

Traditionally, our measures of progress have focused on economic activity (e.g. gross domestic product, labour).

But these measures don’t take into account the state of environmental assets and our reliance upon them.

To account for environmental assets and the benefits they provide, the System of Environmental-Economic Accounting (SEEA) has been developed as an international accounting standard.

Advantages of environmental-economic accounting

Government and stakeholder decision-making recognises the benefits from protecting and investing in the environment.

Victorians appreciate the interdependencies between our wellbeing and the environment.

Parties active in the natural resource management sector share a common language and improve coordination.

Investors can compare the outcomes of management actions and develop benchmarks.

Planning agencies, businesses and communities improve their management by using a common organising framework to respond to changes in environmental assets.

Communities’ decision-making capacity improves with more consistent and coherent information about the environment.

Scientists have access to more coherent data over time and provide access to asset condition measures to a broader audience.

Agencies can identify and better balance trade-offs when making policy, planning and investment decisions, and can better communicate these decisions to others.

After accounting for the services and benefits our environment provides it’s easy to see why a healthy environment is the foundation of a healthy economy.

Economic accounting
Environmental-economic accounting

Sequence of accounts

1 Asset extent accounts
Report on the area of environmental assets and assess how they are changing over time

2 Asset condition accounts
Report on the health of environmental assets and assess how policies, climate and economic activity are impacting on them

3 Ecosystem service accounts
Report on the flow of goods and services that environmental assets provide and assess how changes in asset extent and condition affect these flows

4 Benefit accounts
Report the market and non-market benefits that people obtain from ecosystem services and support social and economic analysis

North east forest
Air filtration, carbon sequestration and storage, habitat for wildlife, primary production
Clean fresh air, climate change mitigation, biological diversity, timber products

Eastern waterways
Habitat for wildlife, primary production, recreation, water supply
Biological diversity, freshwater food, enjoyment and tourism, water for consumption and irrigation

South west wetlands
Carbon sequestration and storage, flood regulation, habitat for wildlife, water purification
Climate change mitigation, reduced flood impacts, biological diversity, clean water, reduced pollution

North east catchment
Habitat for wildlife, primary production, water filtration
Biological diversity, local food products, clean fresh water

South east coastal dunes
Coastal protection, habitat for wildlife
Reduced impact of storm surges, biological diversity

South central marine
Amenity, habitat for wildlife, primary production, recreation, waste assimilation
Enjoyment and tourism, biological diversity, fish products, views and relaxation, reduced pollution

Environment, Land, Water and Planning