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Connecting natural capital, ecosystem services and environmental policy in New South Wales, Australia

Key words: Environmental-Economic Accounting, Policy

Abstract:

Natural capital is a fundamentally important contributor to the socio-economic wellbeing of the community. However, the continued flow of natural capital via ecosystem services to production and consumption is impacted by overuse, pollution, loss of habitat, and changes to biophysical processes that support natural capital formation.

Environment policies and programs play a key role in managing these impacts, and rebuilding levels of natural capital to enable the continuing flow of ecosystem services to economic, social and cultural activities. Programs to mitigate loss of natural capital include controlling water pollution, creation of protected areas, private land conservation incentives and ecosystem restoration.

As the NSW environmental manager, the Office of Environment and Heritage (OEH) needs to understand the interactions between the socio-economic and cultural factors influencing its operating environment and the success of its programs. OEH is using the System of Environmental-Economic Accounting (SEEA) approach to do this. SEEA is a UN statistical standard which builds on the System of National Accounts used by governments show changes in economic activity (i.e. as gross domestic product, exports and imports etc.).

SEEA expands SNA by identifying changes in natural assets such as soils, vegetation cover, national parks etc. SEEA applies accounting approaches of opening and closing balances, additions and subtractions and net changes, to natural, social, human, and cultural stocks of assets, as well as to financial and physical stocks of assets.

This paper discusses the above issues and provides a case study of how OEH is using SEEA to show interactions between social, economic, cultural resource, human, and natural 'capitals' for sustainable landscape management activities in a World Heritage Area Plan of Management, especially regarding enhancing local aboriginal community wellbeing through co-developing and co-tracking community cultural wellbeing measures.

OEH is applying SEEA across a wide range of its policy, program and reporting activities.