



Australia's National
Science Agency

Environmental natural capital accounting and assessment

Making natural capital science and technology accessible
to support responsible business practices to better protect
our environment.



Much of the value and growth from our economy is drawn from natural resources including clean air, water, soil and living things. Many industries depend on, and profit, from natural capital, but nature and its value are often excluded from the balance sheets. This is contributing to the ongoing loss of nature and puts our economic livelihoods at risk.

Natural capital accounting and assessment are gaining momentum as ways to quantify and integrate the value of nature into decision-making processes. Our researchers are helping Australian businesses navigate the methods, standards, and frameworks to successfully measure and report natural assets alongside their financial assets and organisational decision-making.

What is natural capital?

Nature underpins much of the value and growth in our economy. **Natural capital is the stock of the world's natural resources, such as soil, water, and all living things.** Unfortunately, indicators of natural capital show that nature is declining globally, which threatens both nature and our economic prosperity.

Taking a natural capital approach describes natural resources as assets which provide us with important services such as storing carbon, providing nutrients in the soil, filtering water, pollinating crops, and controlling pest species.

Natural capital accounting is a way to **quantify the contribution of nature to organisations and society** to ensure it gets counted in decision-making. Organisations can create natural capital accounts in a consistent and transparent way, similar to traditional financial accounting and reporting.

Natural capital assessment is a process for organisations **to disclose their impacts and dependencies on nature**, and how these translate to nature-related risks that are material to their operations.

Framing nature in this way allows us to understand how nature interacts with the economy, organisations, and human well-being.

This will lead to more **sustainable and responsible practices and better environmental outcomes.**

Who should use natural capital accounting and assessment?

Every business depends on and impacts nature in some way. Organisations who own or manage areas of land or sea, such as farmers, forest growers, and mining companies, can implement natural capital accounting. All organisations can disclose their nature-related impacts and dependencies using natural capital assessment.

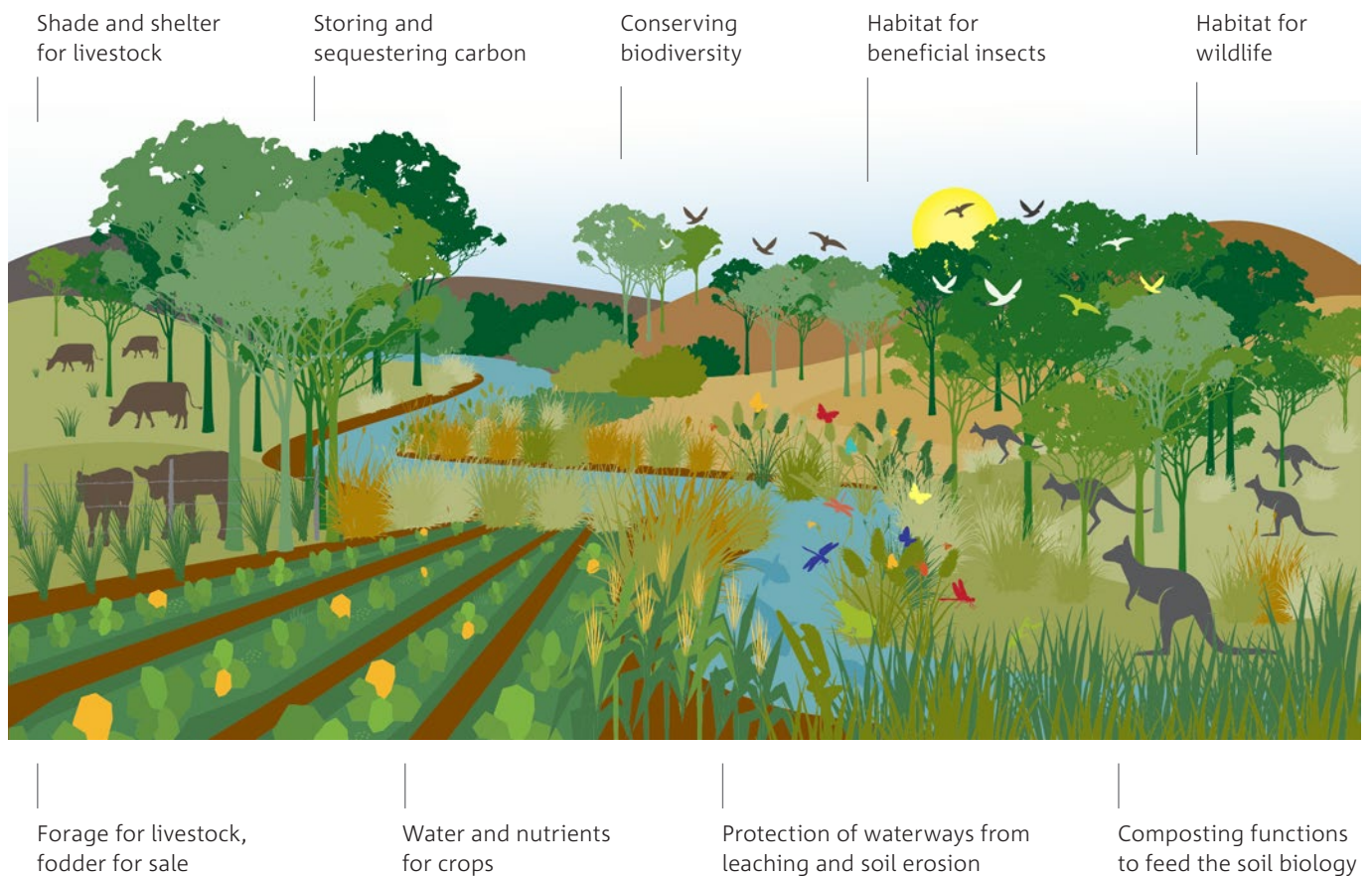
Accounting and assessment both measure and value the condition of natural assets and the services they provide.

Natural capital accounting and assessment are recognised as **critical components in helping to reverse environmental decline.** Nature-related risk disclosure via natural capital assessment is likely to become a mandatory requirement for businesses globally.

Understanding how organisations affect natural capital will empower these organisations to better manage their capital and accelerate the sustainable development of their operations.



Ecological assets generate economic benefits



What is CSIRO doing?

CSIRO scientists are supporting the development and adoption of natural capital accounting and assessment in Australia and internationally.

We are providing industry and government with the science and tools to mainstream natural capital accounting and assessment, informing decision-making alongside economic and social considerations.

Our expertise spans across natural capital, including carbon, biodiversity, water and ecosystems, and we have solutions for both measurement and valuation.

CSIRO research is making natural capital accounting and assessment accessible and practical for organisations by:

- Helping organisations navigate changing methods, standards and frameworks, including releasing handbooks and advice based on the latest scientific and industry advances in natural capital accounting.
- Implementing natural capital accounts and assessment, including software tools to make our science accessible and case studies to demonstrate uptake across industry and government.
- Providing access to trusted information and data to support natural capital initiatives, including biodiversity assessment and valuation services, and streamlined workflows for easier reporting.
- Delivering tailored natural capital accounting and assessment solutions to industry and government.

By adopting natural capital accounting and assessment across the public and private sectors, we can be more confident that our economic growth and prosperity are sustainable.

Access our resources now

Natural Capital Handbook

CSIRO scientists have developed a practical how-to handbook that delivers a step-by-step guide on how to measure and incorporate its natural assets into their financial books.

Aligning with existing global standards and frameworks, the Natural Capital Handbook provides resources and indicators to guide Australian businesses across all sectors to implement natural capital accounting and assessment.

The Handbook summarises the categories of material natural capital risks and opportunities, measurable indicators and provides a format for presenting that information which aligns with corporate accounting principles.

Unlock our Natural Capital Handbook

You can access more of our tools and resources via csiro.au/research/natural-environment/natural-resources/natural-capital-accounting



Ways to work with us

We work with industry and research partners to apply natural capital accounting at scales from enterprise to regions. We provide a range of commercial innovation services that can help your business benefit from research solutions. Join us now on the path to more sustainable and responsible practices for long-term environmental and economic well-being.

Visit csiro.au/research/natural-environment/natural-resources/natural-capital-accounting

As Australia's national science agency, CSIRO is solving the greatest challenges through innovative science and technology. CSIRO. Creating a better future for everyone.

Contact us
1300 363 400
+61 3 9545 2176
csiro.au/contact
csiro.au

For further information
CSIRO Environment
Sam Nicol
sam.nicol@csiro.au