

Submission

Submission to:	Inquiry into the Nature Positive (Environment Information Australia) Bill 2024 [Provisions] and related bills
Addressed to:	Senate Standing Committees on Environment and Communications
Submission from:	Institute for Development of Environmental-Economic Accounting (IDEEA Group)
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IDEEA Group welcomes the Nature Positive (Environment Information Australia) Bill 2024 and appreciates the opportunity to comment. The primary focus of our submission is on the description of environmental economic accounts as detailed in Clause 15 of the Bill.

We agree that the Head of Environmental Information Australia (HEIA) must establish and maintain environmental economic accounts. However, the legislation lacks a description of the purpose and scope of the accounts.

The current version of the legislation states that the HEIA must prepare and give to the Minister a statement of one or more of the accounts every 12 months. Firstly, unlike the State of the Environment Report Section, which in Section 14(1) specifies a date for publication on a website, no date is specified for the accounts and the accounts are given to the Minister, not published.

Secondly, 'one or more accounts' is remarkably vague. While we don't expect the legislation to define specific geographic areas or sizes, we would expect it, at minimum, to reference priority ecosystems such as forests, wetlands, river systems or oceans. The accounts need to cover ecosystems beyond the proposed list of matters of national environmental significance as included in Section 74AAA of the Nature Positive (Environment Law Amendments and Transitional Provisions) Bill 2024.

More importantly, there is no clear statement of purpose for the production of the accounts. The accounts must inform Australians about how our natural assets are tracking over time. Are our priority ecosystems increasing or decreasing in size? Is the condition of those ecosystems improving or worsening? And what impact are those changes having on the economic and social wellbeing of all Australians?

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In 2023, the Australian Government joined the United States and Canada in the Partnership on Cooperation on Natural Capital Accounting, Environmental Economic Accounting, and Related Statistics. The Partnership formalises a common approach to natural capital accounting, environmental-economic accounting and environmental-economic statistics in ways that are guided by the UN [System of Environmental-Economic Accounting](#) (SEEA).

At the heart of the SEEA is a model that describes the stocks and flows of environmental assets. This includes a description of the extent, condition, services and benefits of any given ecosystem. A set of environmental-economic accounts must include data on all those elements.

We encourage the Committee to consider specifying that the annual environmental-economic accounts must:

- include, at minimum, extent, condition, services and benefits of our ecosystems and define nature as ecosystems as per the EPBC Act ('ecosystem means a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.')
- be repeated on a regular basis to establish a baseline that can be measured over time.
- be published on a public website and before a specific date in each year – similar to that required for the two-yearly State of the Environment Report in Section 13 (1). At present the HEIA has to give a summary report of the accounts to the Minister (Section 14(3)) and establish or maintain accounts (Section 14(1)), with no mention of the actual publication of the accounts.

Ideally, the Australian Government would establish accounts describing extent, condition, services and benefits for the whole country. This is a large undertaking. A key part of the HEIA's role will be to focus on one or more high priority ecosystems, working toward accounts for the whole of Australia. It is vital that the annual accounts the HEIA prepares are meaningful and are used to:

- a) establish a baseline to measure our progress towards nature positive
- b) fulfill the purpose and scope of the accounts.

The legislation must make reference to purpose and scope, and must align with the SEEA, where the key purpose of environmental economic accounts is defined as providing 'a structured approach to assessing the dependence and impacts of economic and human activity on the environment.'¹ This will provide essential context to assess the usefulness of the accounts for the Australian community over time.

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¹ United Nations et al, (2021). [System of Environmental-Economic Accounting – Ecosystem Accounting](#) (SEEA EA). White cover publication, pre-edited text subject to official editing, p 2.