The Model

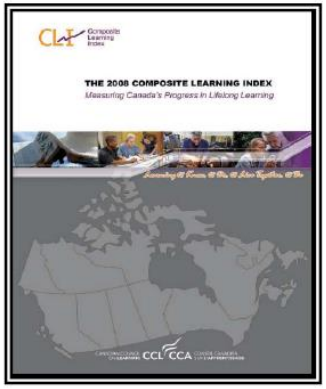
Accounting structure

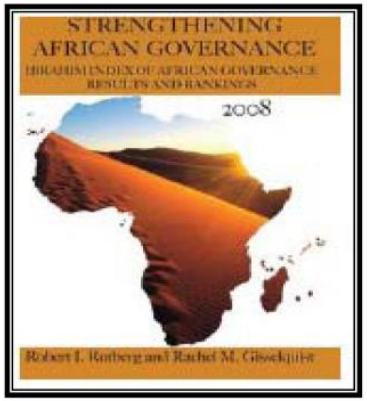
TABLE A: Environmental Asset Summary Table

Environmental Asset Class	Environmental Asset	Econd		
		2008	2009	2010
LAND	Vegetation	40		
	Soils	60		
	Fauna	80		
WATER	Rivers	60		
	Wetlands	54		
	Floodplain	75		
	Groundwater	68		

There are a large number of composite indicators

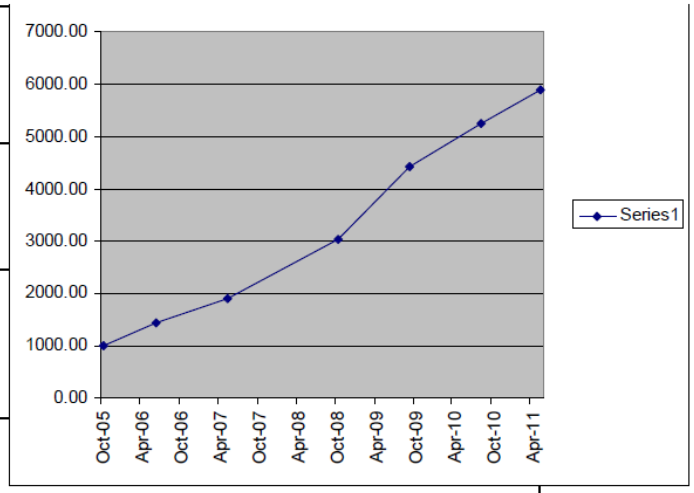
2010\2011 **Rule of Law Index** (World Justice Project)
2010 **Global Competitiveness Index** (WEF)
2010 **Multidimensional Poverty Assessment Tool** (UN IFAD)
2010 **Rule of Law Index** (World Justice Project)
2012/2010/2008/2006 **Environmental Performance Index** (Yale & Columbia Uni)
2009 **Index of African Governance** (Harvard Kennedy School)
2008 **Product Market Regulation Index** (OECD)
2008 **European Lifelong Learning Index** (Bertelsmann Foundation, CCL)
2007 **Alcohol Policy Index** (New York Medical College)
2007 **Composite Learning Index** (Canadian Council on Learning)
2002/2005 **Environmental Sustainability Index** (Yale & Columbia University)





6-fold increase in 5 years

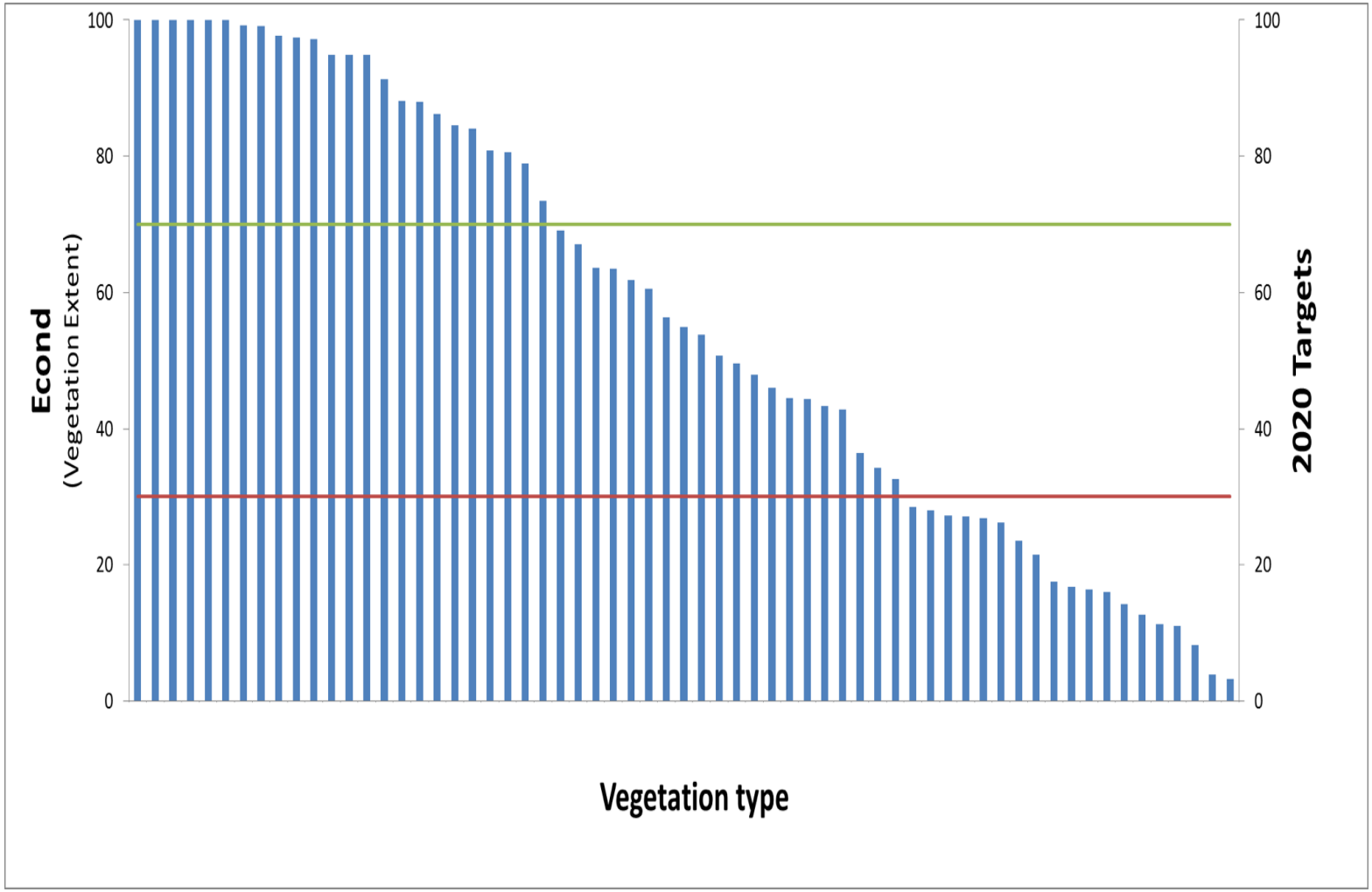
October 2005	992
June 2006	1,440
May 2007	1,900
October 2008	3,030
September 2009	4,420
August 2010	5,240
May 2011	5,900



Searching "composite indicators" on Scholar Google:

Pro & cons of composite indicators (CI)

Pro	Cons
CI can be used to summarise complex or mulidimensional issues.	**CI** may send misleading, non-robust policy messages if they are poorly constructed or misinterpreteded.
CI provide the big picture.	The construction of **CI** involves several stages where judgement and selection has to be made,
CI help attracting public interest	There could be more for disagreement about **CI** than on individual indicators
CI can help to reduce the number of indicators	The **CI** increase the quantity of data needed both for completness and for staistical analysis


Econd
(Vegetation Extent)
100
80
60
40
20
0
2020 Targets
Vegetation type

Restoration costs- -carbon sequestration value

By taking the current extent of each under-represented vegetation type, it is possible to calculate the area of restoration required to achieve the 30% target. By combining this data for all 19 under-represented vegetation types, the total area targeted for restoration priority can be easily calculated. If you were to cost the restoration of each of those hectares based on previous project expenditure, you could estimate a total restoration cost.

It is also possible to estimate the carbon sequestration value of achieving that restoration target. We are only able to do this, because we have designed an environmental condition account which connects asset condition to policy targets and policy targets to investment decisions.

Economic evaluation

- Different targets will different cost curves
- Selection of one may perhaps be used to establish prefererences

QUESTIONS

- Whatdata to select for representation – procedures – overall model?
- How to ensure data-quality
- Uncertainty estimates?
- Weight and implicit trade offs in composite indicators
- Can E-cond measures be generalised to a sum for Australia if standardized?
- Can E-cond be disaggregated in terms of temathic indexes?