



Natural Capital

Ecosystem stocks and condition, services and dependencies.

How to use this handbook

This volume is the practitioner (site and technical) reference for the Natural Capital factor. It sets out what Natural Capital governs, every assessment element with its own process and controls, the Queensland and Commonwealth instruments that apply, and the primary metric for each element. It is decision support, not legal advice or a substitute for a site-specific assessment — confirm every regulatory point against the current instrument and, where a threshold is close or a critical exception applies, obtain specialist and legal review.

FIELD	DETAIL
Volume	17 of 17 — Environmental Knowledge Handbooks
Factor	Natural Capital
Jurisdiction	Queensland, Australia
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Prepared by	QTEN — Queensland Technical Excellence Network
Review	SME, spatial and legal review before reliance

Executive overview

Natural capital is the stock of nature — ecosystems, species, soil, water and air — and the services and dependencies that flow from it. It is the factor that turns environmental performance into a balance-sheet and disclosure question, through nature-related financial disclosure (TNFD), the UN SEEA accounting standard, the Commonwealth Nature Repair Act 2023 nature market, and offsets under the Environmental Offsets Act 2014. The task is to govern natural capital as an asset — quantify stocks and condition, understand dependencies and impacts, and account for and disclose them credibly.

Scope

Natural Capital resolves into four secondary factors — Natural Capital Stocks and Condition; Ecosystem Services and Beneficiaries; Dependencies, Impacts and Risk; Accounting, Valuation and Disclosure — and twenty assessment elements. Every element is set out below with its own process and controls and its primary decision metric; identifiers are shared with the companion Knowledge System workbook and the platform calculators.

Assessment elements & process

Each assessment element below carries what it governs and its key pressures, the appropriate site process and controls, and the primary metric that measures it. Work every element that your project engages.

ASSESSMENT ELEMENT	WHAT IT GOVERNS & KEY PRESSURES	PROCESS & CONTROLS
Natural Capital Strategy and Governance <i>Natural capital governance maturity</i>	Natural-capital strategy, boundary and governance. Pressures: nature treated as an externality.	Set the natural-capital boundary, strategy and governance; assess maturity against TNFD/SEEA.
Ecosystem Assets and Extent <i>Ecosystem asset extent</i>	Ecosystem assets and extent. Pressures: loss of ecosystem extent.	Map ecosystem assets and extent; avoid loss; account for extent; monitor change.

ASSESSMENT ELEMENT	WHAT IT GOVERNS & KEY PRESSURES	PROCESS & CONTROLS
Ecosystem Condition and Integrity <i>Ecosystem condition index</i>	Ecosystem condition and integrity. Pressures: degradation, fragmentation, invasive species.	Measure condition against reference; manage and restore; deliver offsets; monitor the condition index.
Species, Genetic and Biodiversity Capital <i>Biodiversity capital condition</i>	Species, genetic and biodiversity capital. Pressures: biodiversity loss and decline.	Assess biodiversity capital condition; avoid and minimise impact; restore and offset; monitor.
Soil, Water, Air and Mineral Natural Capital <i>Abiotic natural capital condition</i>	Soil, water, air and mineral natural capital. Pressures: degradation and depletion of abiotic capital.	Assess abiotic natural-capital condition; avoid degradation; manage and monitor.
Provisioning Ecosystem Services <i>Provisioning service flow</i>	Provisioning ecosystem services. Pressures: over-use, loss of provisioning capacity.	Identify provisioning services and dependencies; sustain flow; avoid over-use; monitor.
Regulating Ecosystem Services <i>Regulating service flow</i>	Regulating ecosystem services. Pressures: loss of regulating functions (water, climate, hazard).	Identify regulating services; protect the ecosystems that provide them; monitor service flow.
Cultural Ecosystem Services <i>Cultural service outcome</i>	Cultural ecosystem services. Pressures: loss of cultural value and access.	Engage rights-holders; identify cultural services; protect access and value; manage impacts.
Supporting Functions and Ecological Processes <i>Ecological function condition</i>	Supporting functions and ecological processes. Pressures: disruption of ecological processes.	Protect supporting functions and processes; avoid disruption; monitor function condition.
Beneficiaries, Rights Holders and Distribution <i>Benefit distribution and access</i>	Beneficiaries, rights-holders and distribution. Pressures: inequitable access to nature's benefits.	Identify beneficiaries and rights-holders; consider distribution and access; engage and manage.
Nature-related Dependencies <i>Dependency materiality</i>	Nature-related dependencies. Pressures: unrecognised dependencies on nature.	Assess dependencies across operations and value chain (TNFD LEAP); rate materiality; manage.
Nature-related Impacts and Pressure Drivers <i>Impact and pressure significance</i>	Nature-related impacts and pressure drivers. Pressures: land/sea-use change, pollution, over-use, invasives, climate.	Assess impacts and pressure drivers; apply the mitigation hierarchy; reduce pressure; monitor.
Nature-related Risks and Opportunities <i>Nature risk and opportunity rating</i>	Nature-related risks and opportunities. Pressures: unmanaged nature risk, missed opportunity.	Assess nature-related risk and opportunity; rate; integrate into decisions and strategy.
Priority Locations and Value-chain Interfaces <i>Priority location coverage</i>	Priority locations and value-chain interfaces. Pressures: impacts in sensitive priority locations.	Identify priority locations and value-chain interfaces; prioritise action; cover them.
Natural Capital Mitigation, Restoration and Regeneration <i>Mitigation and restoration outcome</i>	Natural-capital mitigation, restoration and regeneration. Pressures: residual impact, degraded assets.	Apply the mitigation hierarchy; restore and regenerate; deliver offsets; monitor outcome.

ASSESSMENT ELEMENT	WHAT IT GOVERNS & KEY PRESSURES	PROCESS & CONTROLS
Environmental-economic and Ecosystem Accounting <i>Natural capital account completeness</i>	Environmental-economic and ecosystem accounting. Pressures: no accounts, incomplete data.	Prepare ecosystem accounts (SEEA); assure data; maintain completeness.
Natural Capital Valuation and Decision Analysis <i>Natural capital decision value</i>	Natural-capital valuation and decision analysis. Pressures: nature value ignored in decisions.	Value natural capital appropriately; use in decision analysis; document decision value.
Natural Capital Asset and Liability Interfaces <i>Asset and liability linkage</i>	Natural-capital asset and liability interfaces. Pressures: unlinked nature liabilities.	Link natural-capital assets and liabilities to the balance sheet and risk; account and disclose.
Nature Metrics, Targets and Performance <i>Nature target performance</i>	Nature metrics, targets and performance. Pressures: weak targets, unmeasured performance.	Set nature metrics and targets; track performance; correct on divergence.
TNFD, Reporting, Assurance and Adaptive Management <i>Disclosure and assurance completeness</i>	TNFD, reporting, assurance and adaptive management. Pressures: incomplete disclosure and assurance.	Prepare TNFD-aligned disclosure; assure; review; correct and adapt.

Regulatory mapping

The instruments most often engaged for Natural Capital. Confirm currency and application to the specific site and activity before relying on any entry.

INSTRUMENT	JURIS.	WHAT IT DOES	TYPICAL TRIGGER
EPBC Act 1999	Cth	MNES and protected nature values.	Likely significant impact on an MNES.
Nature Repair Act 2023	Cth	Voluntary national nature-repair market and biodiversity certificates.	Undertaking or trading a nature-repair activity.
Environmental Offsets Act 2014	Qld	Offsets for significant residual impacts on prescribed matters.	A significant residual impact on a prescribed matter.
Nature Conservation Act 1992	Qld	Protection of wildlife and nature values.	Impact on protected nature values.
TNFD / SEEA Ecosystem Accounting	Frame work	Nature-related disclosure and natural-capital accounting.	Assessing and disclosing nature-related matters.

Assurance & evidence

- **Source currency.** Confirm the instruments, criteria and trigger values cited are current and correctly applied to the site and activity.
- **Records.** For each element engaged, retain the assessment, the controls applied, monitoring against the metric, and any statutory notifications — the evidence that the process was followed.
- **Independent review.** Interpretations, threshold decisions and critical exceptions are reviewed by a suitably qualified person before reliance.

TALK TO QTEN

Managing natural capital on a live project? QTEN helps Queensland clients turn this handbook into a defensible, evidence-backed position — scoping, assessment, controls, approvals and review. Bring us your site and we will help you get it right, and prove it.

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