

# The Valuation Landscape – an overview

Valuation in Practice – 4 December 2018

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## Overview

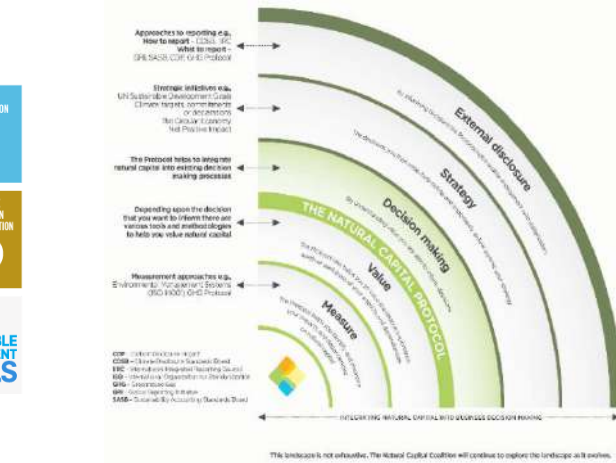
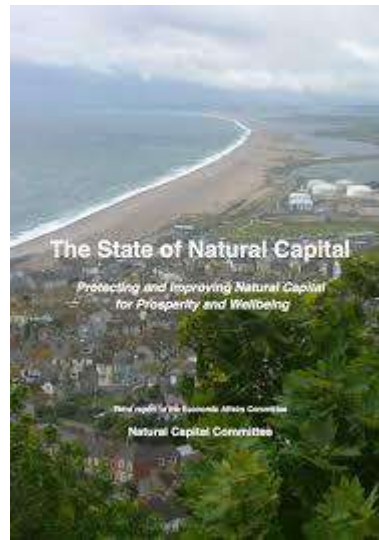
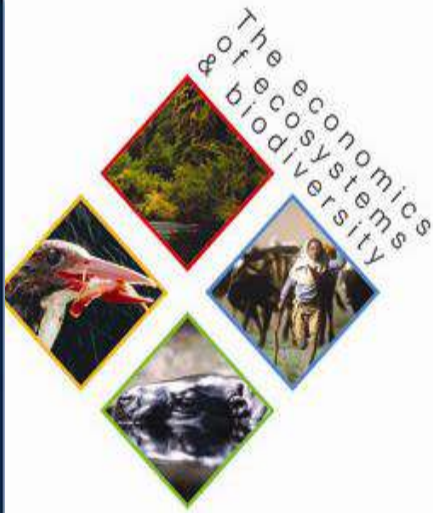
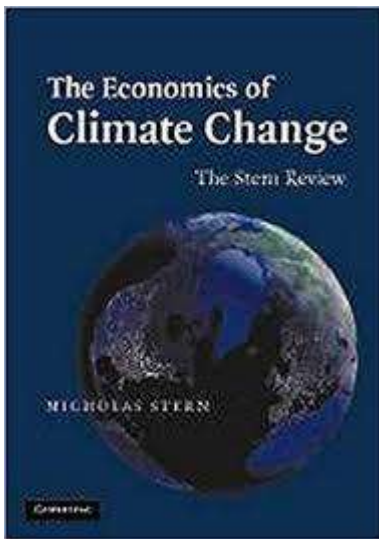
- Why valuation?
- Why not?
- Changing demand for valuation evidence
- Economic Framing of 'value' and engaging in the process
- Principles of Good Practice

## Why valuation?

- Markets fail
- They are short-sighted
- Information is missing / not equally distributed
- ‘So what?’
- Total Economic Value
- Decision Support

## Why not?

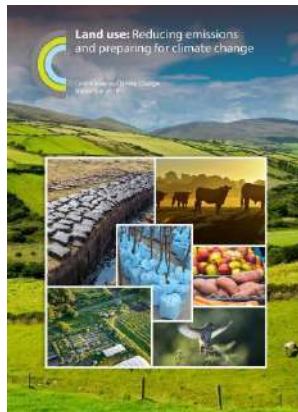
- If everyone agrees, find the most cost-effective option
- Not a replacement for spiritual, ethical and moral values and motivations
- Critical natural capital, biodiversity that cannot be traded off



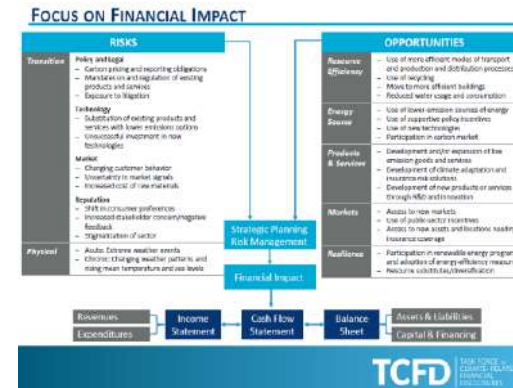
14007, 14008, 14030, 14097



**Demystifying Economic Valuation:**  
Valuing Nature Paper | June 2016

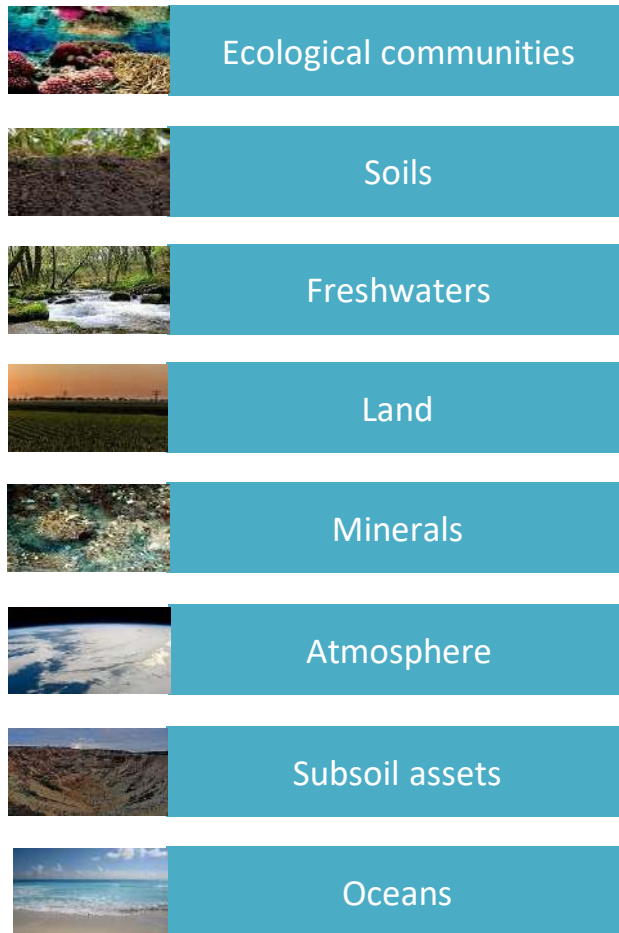


Our 2019 price review is aiming for more of what matters

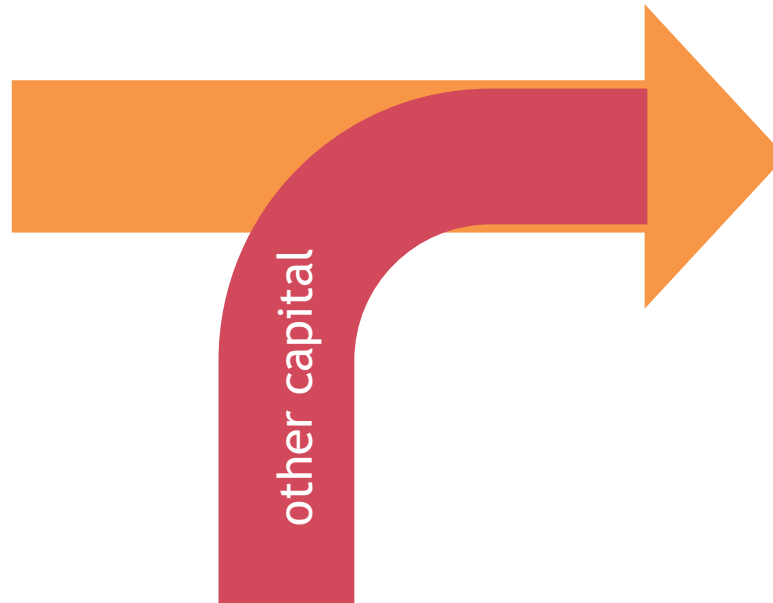


# EXAMPLE FRAMING: NATURAL CAPITAL ACCOUNTING









## Natural capital assets

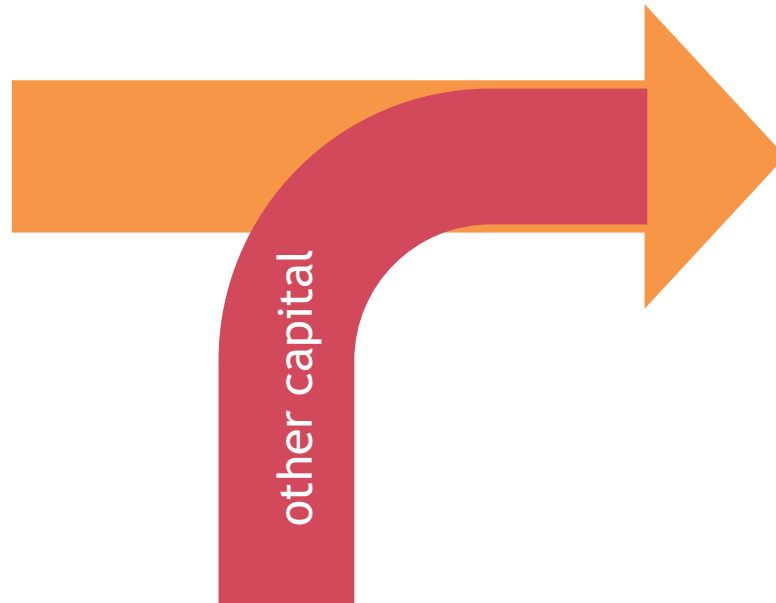


## Natural capital benefits



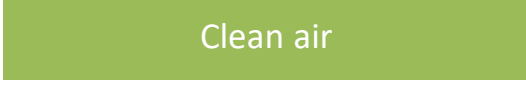




## Natural capital assets

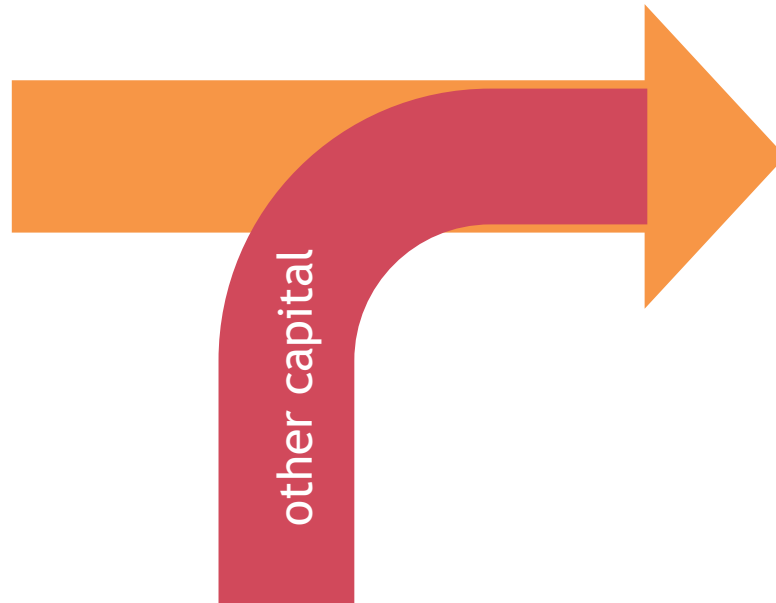
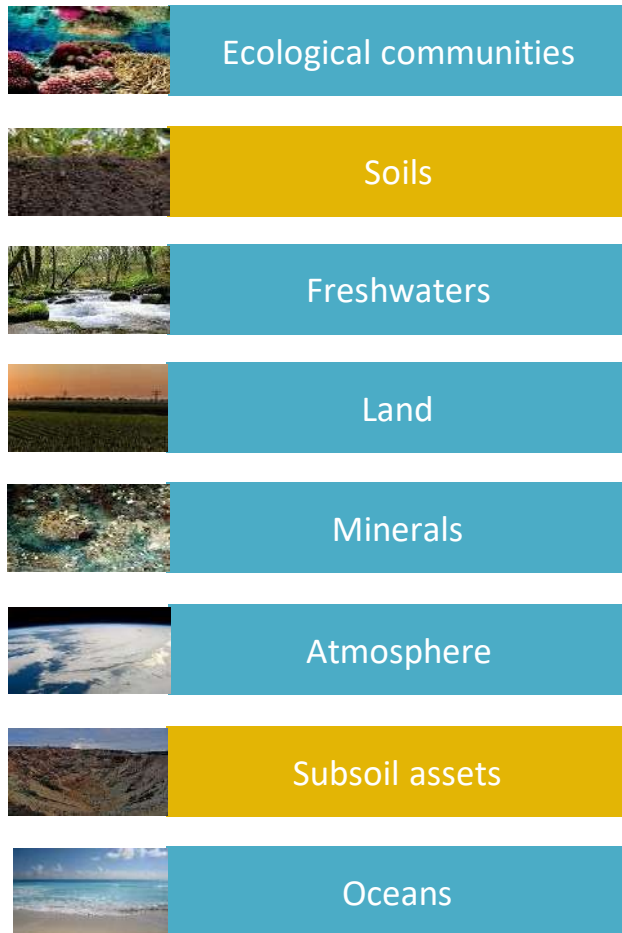
-  Ecological communities
-  Soils
-  Freshwaters
-  Land
-  Minerals
-  Atmosphere
-  Subsoil assets
-  Oceans



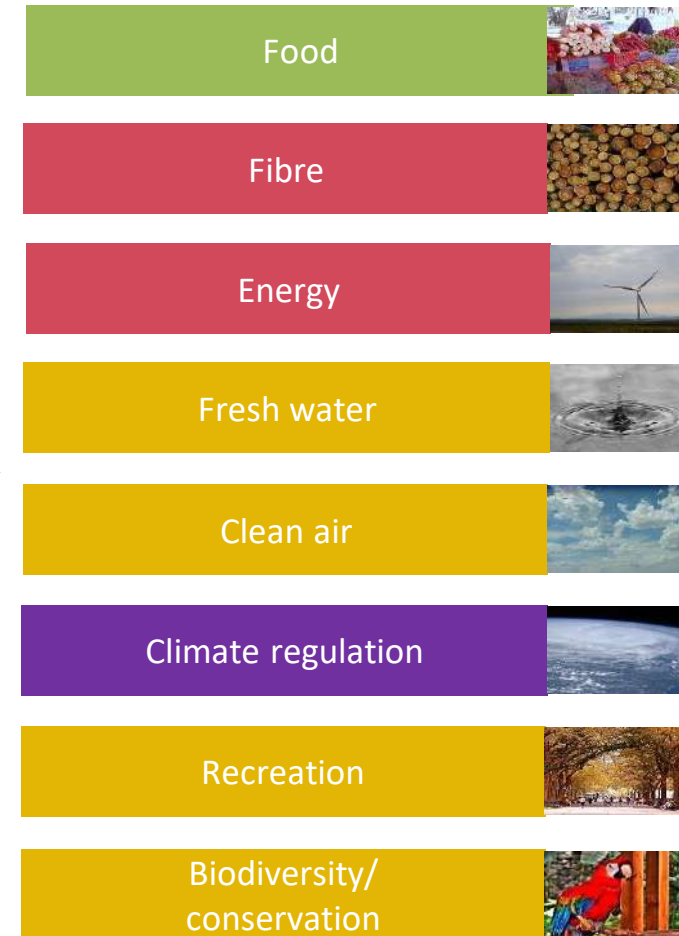
## Natural capital benefits

-  Food 
-  Fibre 
-  Energy 
-  Fresh water 
-  Clean air 
-  Climate regulation 
-  Recreation 
-  Biodiversity/conservation 

## Natural capital assets

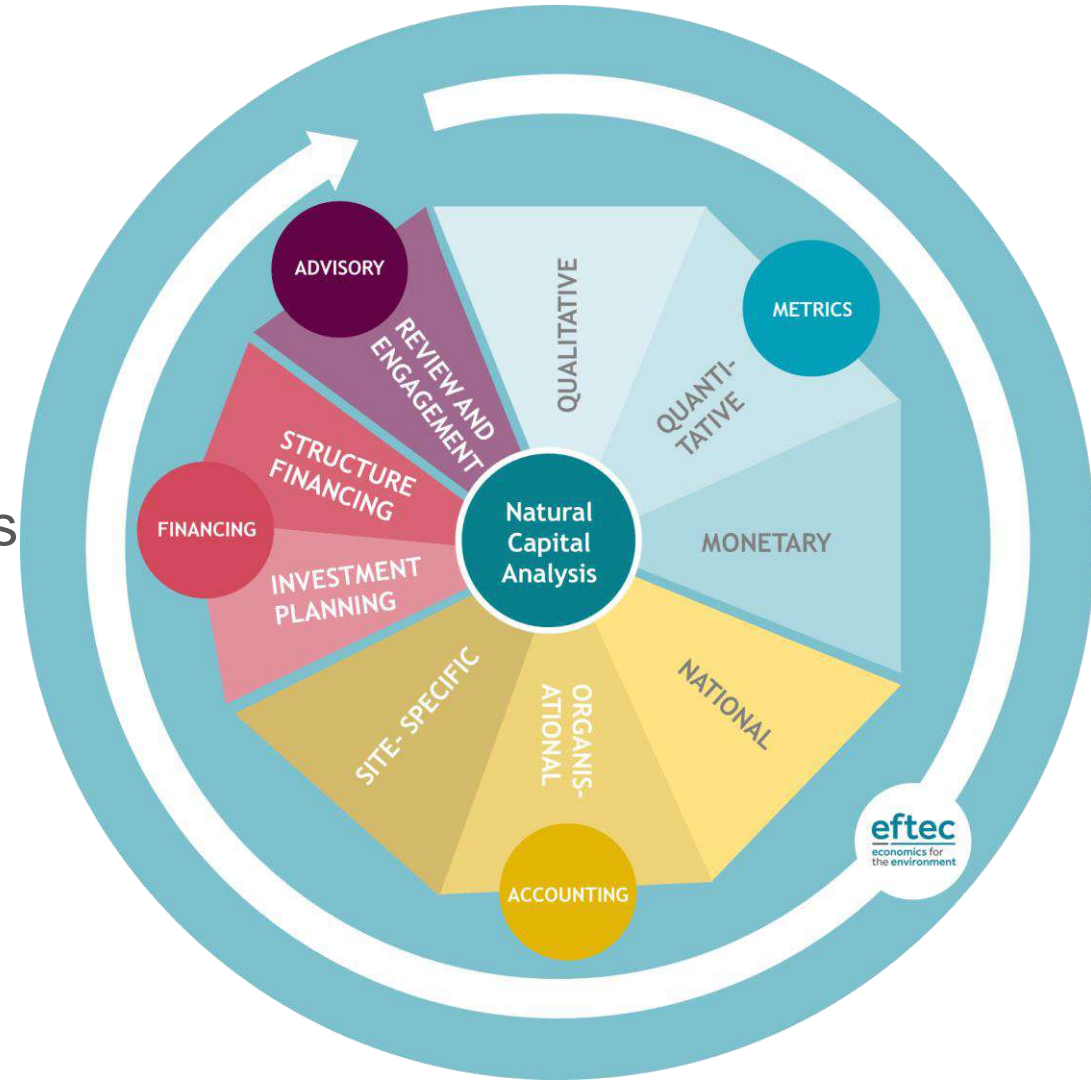


## Natural capital benefits



## Good practice for valuation and natural capital analysis

- Makes the most of **available information**
- Measures **material** impacts and dependencies
- Speaks to **different stakeholders**
- **Transparent** methodology, assumptions calculations
- **Comparable** across space and time
- **Auditable** by third parties





# Thank you



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