

# APPRECIATING THE WHOLE PICTURE: INCLUDING INTANGIBLE VALUES IN DECISION MAKING



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**NATURAL HAZARDS IMPACT MANY THINGS THAT PEOPLE VALUE: LIFE, HEALTH, AMENITY, SAFETY, RECREATION AND THE ENVIRONMENT. QUANTIFYING THE IMPACT OF NATURAL HAZARDS ON THESE INTANGIBLE THINGS IS NOT EASY. BUT IF WE DO NOT INCLUDE THEM, WE ARE MISSING A LARGE PART OF THE PICTURE.**

## THE MISSING PIECES IN ECONOMIC ANALYSES



### THE ISSUE

Intangible values are rarely accounted for in decision making and quantifying them is difficult, resource intensive and expensive.



### THE VALUE TOOL

The value tool identifies a range of intangible values that might be affected by natural hazards and provides dollar values for them in the form of an easy-to-read database. In this way, they can be directly compared with other monetary estimates of costs and benefits related to natural hazards (their impacts or their mitigation).

A set of user-friendly guidelines accompanies the database to illustrate how intangible values can be used to make decisions and help in the prioritisation of resources.



### PROJECT AIM

To facilitate the inclusion of intangible values in decision making, we have created a 'value tool' that makes them more easily accessible and contains values that can be used in economic studies.

#### Example – The Value of Life

Value of a Statistical Life = \$ 4.3 million in 2016 Australian dollars

If a mitigation strategy reduces the risk of death from a natural hazard from 20 anticipated deaths to 10 = 10 lives saved

Non-market (intangible) benefits = \$4.3million x 10 people

Total = \$43million

### PROJECT INFORMATION

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