



WA ENVIRONMENTAL OFFSETS POLICY

Introduction

The Western Australian Government's Environmental Offsets Policy seeks to protect and conserve environmental and biodiversity values for present and future generations. This policy ensures that economic and social development may occur while supporting long term environmental and conservation values.

The use of environmental offsets will not replace proper on-site environmental practices, such as avoidance and mitigation. Offsets will be used to compensate for residual environmental impacts and be designed to achieve long-term outcomes, building upon existing conservation programs and initiatives.

Environmental offsets will take account of, and contribute towards, broader State Government conservation objectives through existing programs, policies, initiatives and strategic funds. This includes the establishment and ongoing management of national parks, reserves and other conservation estate.

This policy seeks to ensure that environmental offsets are applied in specified circumstances in a transparent manner to engender certainty and predictability, while acknowledging that there are some environmental values that are not readily replaceable. It serves as an overarching framework to underpin environmental offset assessment and decision-making in Western Australia. The *Environmental Protection Act 1986* defines environmental value as "a beneficial use or ecosystem health indicator. A beneficial use is a use of the environment ... which is conducive to public benefit, public amenity, public safety, public health or aesthetic enjoyment and which requires protection from the effects of emissions or ... environmental harm. An ecosystem health indicator is a condition of the ecosystem which is relevant to the maintenance of ecological structure, ecological function or ecological process and which requires protection from the effects of emissions or ... environmental harm."

Environmental offsets are most often applied to proposals subject to environmental impact assessment and as a condition of permits for clearing of native vegetation under the *Environmental Protection Act 1986*, but may be considered in relation to other legislation, including planning developments under the *Planning and Development Act 2005* and mining proposals under the *Mining Act 1978*.

The Australian Government applies environment offsets under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* to protect matters of national environmental significance where these are affected by a development or

activity. The Western Australian Government will endeavour to work cooperatively with the Australian Government to avoid duplication of offsets, however, this may not be possible where a proposal or action is not jointly assessed under a bilateral agreement or a strategic assessment. It is intended that as far as possible there will be minimal duplication between State and Commonwealth requirements for environmental offsets.

What is an environmental offset?

An environmental offset is an offsite action or actions to address significant residual environmental impacts of a development or activity. There are two categories of environmental offsets:

1. *Direct offsets*, which are actions designed to provide for on-ground improvement, rehabilitation and conservation of habitat. Direct offsets vary, depending on the specific circumstances of environmental impacts, and include acquisition, restoration, revegetation and rehabilitation of natural areas outside the project area.
2. *Indirect offsets*, which are actions aimed at improving scientific or community understanding and awareness of environmental values that are affected by a development or activity. These actions are designed to result in positive conservation outcomes and may include research to improve the management and protection of existing conservation estate or contributions to State Government initiatives, policies or strategic funds.

Principles for the use of environmental offsets

Offsets are a component in the Western Australian Government's broader approach to the environment. Environmental offsets will be used as a last resort, after due consideration of avoidance and mitigation measures.

In this context, the Western Australia Government's assessment and decision-making processes in relation to the use of environmental offsets are underpinned by these principles.

1 Environmental offsets will only be considered after avoidance and mitigation options have been pursued.

Environmental offsets address environmental impacts that remain after on-site avoidance and mitigation measures have been undertaken. Environmental offsets will not be considered in the absence of proposed strategies to avoid and mitigate environmental impacts.

A degree of flexibility will be applied towards the use of environmental offsets. In determining the type of environmental offsets, emphasis will be placed on realising real and sustainable environmental outcomes through a combination of avoidance, mitigation as well as direct and indirect environmental offsets.

Where possible, offsets will be considered early in the assessment and decision-making process to allow for greater transparency and certainty.

The responsibility for imposing offset requirements remains with the relevant statutory decision-maker. For example, the Minister for Environment is responsible for proposals assessed by the Environmental Protection Authority, and the CEO of the Department of Environment and Conservation for clearing permits.

2 Environmental offsets are not appropriate for all projects.

Environmental offsets are not appropriate in all circumstances. The applicability of offsets will be determined on a project-by-project basis. While environment offsets may be appropriate for significant residual environmental impacts, they will not be applied to minor environmental impacts.

3 Environmental offsets will be cost-effective, as well as relevant and proportionate to the significance of the environmental value being impacted.

Environmental offsets relate to the environmental value that is being impacted. In some instances it may be necessary to offset a value with a similar, but not identical, value.

Environmental offsets should be proportionate to the significance of the environmental value being impacted with a preference for cost-effective solutions.

4 Environmental offsets will be based on sound environmental information and knowledge.

Proposals for the use of environmental offsets should be underpinned by sound information and knowledge. The information should be credible and capable of scrutiny to support transparent and accountable decision-making.

5 Environmental offsets will be applied within a framework of adaptive management.

An adaptive management framework should be applied in relation to environmental offsets to take account of the potential risks. The risks associated with environmental offsets include the uncertainty in predicting environmental impacts on biodiversity and managing any time-lag between establishing offsets and generating the anticipated benefits.

Adaptive management should ensure there are mechanisms in place to take account of these risks and other potential unintended consequences which may arise.

6 Environmental offsets will be focussed on longer term strategic outcomes.

Environmental offsets will be designed to be enduring, enforceable and deliver long term strategic outcomes. A flexible approach to the security, management, monitoring and audit of offsets will be adopted to ensure that anticipated environmental outcomes are realised.

Responsibility for monitoring, auditing and compliance with set conditions to nominated agencies is ascribed in the *Environmental Protection Act 1986* (WA) and other State legislation. All environmental offsets that are included as part of a statutory approval will identify the agency responsible for monitoring its implementation, ongoing auditing and legislative basis.

Environmental Offset Guidelines

The effectiveness of assessing and determining offsets is dependent upon clarity of purpose, function and necessity.

To this end, detailed guidelines outlining the respective roles and responsibilities of agencies, proponents and statutory bodies; legislative requirements; assessment and decision making processes, auditing, monitoring and review will be prepared in consultation with key stakeholders.

Environmental Offset Register

An Offsets Register will provide a public record of all offset agreements in WA in a centralised form. These include all offsets that may have been negotiated by different agencies under different legislation.

Information in the Offsets Register would include:

- spatial location of the offset;
- type of offset and values being offset;
- compensatory values of the offset;
- timelines for implementation; and
- agency that is responsible for monitoring the environmental offset.

The Register will maintain relationships with existing databases and provide spatial data on offsets.

The aims of the Offset Register are to:

- Facilitate transparency and accountability regarding offset agreements;
- Provide a single cross-Government record for environmental offsets;
- Monitor offset implementation and outcomes;
- Improve auditing and quality control of offsets; and
- Provide for efficient retrieval of offset information in flexible ways to meet Government, industry and community needs.