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Environmental Offsets – Biodiversity

Western Australia's growing society and strong economy pose many challenges to protecting and conserving our natural environment. In the past, some adverse environmental impacts may have been regarded as an acceptable consequence of economic and social growth. Today, we must find a way to ensure the protection and *improvement* of the environment while allowing for development. Environmental offsets are one management tool that can help achieve sustainable outcomes.

What are environmental offsets?

Environmental offsets are a package of activities undertaken to counter adverse environmental impacts arising from a development. Offsets are the 'last line of defence' and are considered after all steps have been taken to minimise impacts resulting from a development. Offsets aim to ensure that any adverse impacts from development are counter-balanced by an environmental gain somewhere else.

The Environmental Protection Authority (EPA) believes environmental offsets should be used with a goal of achieving a *net environmental benefit*. This recognises that the environment has been significantly compromised in the past and that halting and reversing the decline of the environment is now a priority.

Avoiding and minimising impacts always comes first

Whenever development occurs there is usually some impact that results in a loss of environmental values. Developers have a responsibility to avoid and minimise their environmental impact. Impacts on the environment may be avoided or minimised by considering alternative development strategies or using new technologies and 'best practice' processes and operations. Sometimes this may not be enough to prevent significant damage to important parts of the environment. Something else is needed to ensure that development can still occur, but not to the overall detriment of the environment. This is where environmental offsets can help.

When should offsets be considered?

Offsets should only be considered after all efforts to avoid and minimise environmental impacts have been made and significant environmental impacts still remain.

Major development proposals or schemes that have significant environmental impacts, particularly on 'critical' and 'high' value assets, will usually trigger the EPA's environmental impact assessment process. 'Critical' assets are the most important



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environmental assets in the State and are listed in *EPA Position Statement No. 9*. 'High' value assets are those considered valuable by the community and/or government and are in good to excellent condition but are not listed as 'critical' assets. The EPA will develop a publication to further identify 'critical' and 'high' value assets.

The EPA advises the Minister for the Environment on whether a project should be approved or not. In providing its advice to the Minister, the EPA adopts a presumption against recommending approval of proposed projects where significant adverse environmental impacts affect 'critical' assets. The EPA determines on a case-by-case basis how significant an impact is and this in turn influences the decision to assess the project through the environmental impact assessment process and its recommendations to the Minister including advice on the adequacy of proposed offsets.

Types of environmental offsets

Restoring and rehabilitating land directly impacted by development are considered accepted on-site environmental management requirements. Offsets activities are usually undertaken outside the area where the impact occurs (i.e. off-site) and may consist of beneficial environmental activities including restoration and rehabilitation of degraded but valuable environments. In some circumstances, these activities may not be feasible and other types of offsets may be needed. For example, securing land for conservation or enhancing its protection could be options.

To help ensure that offset activities are successful over the long term, supporting initiatives may be undertaken. These supporting activities may include conservation (for example, a covenant can be placed over the land to prevent clearing in the future), protection (fencing the offset site to keep out livestock), management activities (weed and feral animal control, fire control, monitoring and maintenance of the offset site), new research, education and other activities that have a proven environmental benefit. Together the combination of activities and supporting initiatives form an 'offsets package' that should deliver an overall net environmental benefit.

What makes a good environmental offsets package?

All development projects are different. For this reason, offsets packages will vary depending on the type of project, the environment being impacted and the significance of the impact on the environment. Environmental offsets should still meet all planning, statutory and regulatory requirements.

Ideally, the environmental values of the offset site should be similar to those being impacted. This concept is often referred to as 'like for like' and considers the environment's distinctive values and characteristics. The offset site should be located in the same local vicinity as the area being impacted, so as to ensure the immediate



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environment receives the benefit. However, flexibility to determine the best environmental outcome must be considered in selecting offset sites. For example, sometimes a better environmental outcome could be achieved at a broader rather than at a local scale.

Detailed assessments of the environment being impacted and of the proposed offset site are needed to ensure that a suitable offsets package is proposed and results in an overall environmental benefit. The offsets package and its intended outcomes need to be clearly defined and transparent, so it can be publicly registered, audited and enforced if necessary. The offset activities need to be monitored over time to determine if adequate progress is being made and the desired outcome is achieved.

The risk that environmental offsets may not fully succeed in the long term should also be considered. This risk can be addressed by making the size of the offset site larger than the size of the impact site. It is crucial that offsets packages deliver a long lasting benefit to the environment. The benefits must continue after the development project has been completed.

It is important to note that in assessing the adequacy of a proposed offsets package, the EPA will not negotiate on, nor propose changes to, the components of an offsets package. Government agencies will provide advice to the EPA about a proposal or scheme and its offsets package. In turn, the EPA provides its recommendations to the Minister for the Environment who then decides whether a proposal or scheme (and its associated offsets package) should be approved or not. The EPA and/or Minister may seek further advice from a probity panel on the appropriateness and adequacy of proposed offsets under the policy guidance framework.

If you require more detailed information about offsets, please refer to *EPA Position Statement No. 9* and *EPA Guidance Statement No. 19*. These documents can be downloaded from the EPA website at www.epa.wa.gov.au.