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### Risk-based Approach to EIA – update

#### Introduction

Western Australia's environmental impact assessment (EIA) process is a critical component of the Government's approvals process. In February 2008 the Environmental Protection Authority (EPA) initiated a review of the State's EIA process with the aim of enhancing the quality, timeliness and certainty of the EPA's advice to Government on development proposals.

The EPA completed the review earlier this year and the final report was published on 30 March 2009.

The EIA review identified the use of a risk-based approach to EIA as a key initiative to improve the efficiency, transparency and consistency of the EIA process. Draft guidelines were prepared during the review and were published in Appendices 2 and 3 of the final report which is available at <http://www.epa.wa.gov.au/eiareview.asp>.

When the final report was released in March 2009, the EPA endorsed, in principle, a risk-based approach to EIA. The EPA is now trialling the approach with a view to refining and confirming the methodology and informing the implementation strategy, including training and communication programs.

The EPA advised at the time of the final report that, until a new risk-based approach is confirmed, the current approach to EIA remains in place.

#### Trials

The EPA is mindful that a new approach will introduce new concepts and terms, require a consistent approach to classifying consequences, and confront the different, but equally legitimate, views of stakeholders about the 'values' of the environment.

To inform the development of the risk-based approach, the methodology outlined in the draft guidelines is being trialled on two development proposals from two different sectors

- offshore petroleum production – Chevron's Wheatstone LNG project near Onslow (ERMP level of assessment), and
- iron ore mining - Australian Premium Iron Joint Venture's West Pilbara Iron Ore project (PER level of assessment).

Chevron's scoping document was finalised and approved in June 2009

<http://www.chevron.com/countries/australia/wheatstone/environment/>. Chevron is now preparing its ERMP document, including the development of project-specific consequence criteria.

Australian Premium Iron submitted a draft scoping document in July 2009, and it is currently being reviewed.

Both proponents have conducted a series of workshops with stakeholders to assist in the development of their scoping documents.

They have also engaged independent facilitators to assist with the trials and report separately to the EPA on the knowledge gained from the trials.

## Preliminary observations

The participants in the trials have made a number of preliminary observations about the use of the risk-based approach in the scoping phase:

- the approach is systematic, thorough and comprehensive, and has not resulted in significant issues being discarded as low risk early in the process;
- standardisation of terminology and methodology, and transparency around assumptions and levels of uncertainty are critical;
- the development of generic consequence criteria for specific environmental factors would be of assistance;
- the early stakeholder involvement has been very beneficial in developing joint understanding and planning;
- proponents use similar techniques to establish their Environmental Management Systems and so some of the deliberations will also serve that purpose;
- the approach has been resource intensive due to the need for rigorous consideration of different risk rankings for multiple combinations of environmental aspects and factors by the proponents and stakeholders;
- the resource commitment has been problematic for non government organizations; and
- the participation of decision-making authorities is essential.

## Next steps

In developing its position on the risk-based approach, the EPA will be informed by the outcomes of the industry risk-based trials, the comments of the trial participants and submissions from stakeholders.

The EPA will give particular consideration to the following:

- differentiating between large complex proposals and smaller simpler proposals;
- restricting the use of the risk-based approach to certain phases of the EIA process, eg the scoping phase;
- development of generic consequence criteria;
- re-introducing EPA issued guidelines for simpler proposals; and
- ensuring that the involvement of non-government organisations in EIA is not compromised.

The EPA expects that the risk-based approach will be a tool available to the EPA and stakeholders, but it may not be relevant or applicable to all projects.

The EPA will formulate its policy position, standards and guidelines on a risk-based approach to confirm the terminology, methodology, consequence criteria and risk scales to be used.

The EPA will also ensure that implementation of a new approach is effective through a comprehensive training and communication program to inform industry groups, government agencies and interest groups.

## Other development proposals

Since the EPA's EIA review was finalised in March 2009, a number of proponents not included in the trials have been attempting to apply a risk-based methodology in the preparation of their scoping and environmental review documents.

The EPA has not as yet confirmed the risk-based approach to be used in EIA and is therefore asking proponents to prepare their documents consistent with the existing approach.



## Environmental Protection Authority

Some proponents may choose to use their organisation's internal risk management system to inform themselves, particularly as to whether all key issues have been identified and addressed. However, use of inconsistent terminology and methodology in proponent documents will cause confusion. The information included in proponent documents should be presented in the traditional format using established terminology.

A formal risk-based approach to EIA will not be adopted until the trials have been completed and the EPA has finalised its policy position and guidelines.