

## Public Advice

# Considering environmental offsets at a regional scale

### Foreword

The Environmental Protection Authority (EPA) recognises that environmental protection should be considered at local and regional scales through the application of measures which protect, conserve, preserve, enhance and manage the environment.

The EPA also recognises the importance of nature positive initiatives, and the need to consider more than averted loss, as measures which can protect, conserve, preserve, enhance and manage the environment.

Environmental offsets can contribute to all of these types of measures.

The EPA is, however, increasingly being asked to consider the application of environmental offsets at a local scale only, and for averted biodiversity loss only, without consideration of regional scale or broader environmental protection and enhancement needs.

This advice assists proponents, Government, partners and the community to identify the guiding values and priorities which should be considered to enable environmental offsets to contribute to environmental protection and enhancement outcomes at regional scales.

Offsets are the final component of the mitigation hierarchy and should only be considered after all measures to avoid, minimise and mitigate impacts from implementation of a proposal or scheme have been fully exhausted. Once applied however they are the principle method for proposals and schemes to be able

to contribute to regional environmental enhancement. Through consideration of the regional scale, there is opportunity to allow offsets and other enhancement measures to contribute to delivering nature positive outcomes by enhancing the resilience, connectedness and quality of environmental values.

The EPA understands that the development of offsets policy is evolving and subject to significant review and potential change at this time. It is our hope that in setting out clear guiding values for proponents and recommended priorities for government, the EPA can promote early and elective adoption of innovative approaches to the development of environmental offset proposals by proponents. It is also our hope that reviews of existing offsets frameworks by State and Commonwealth governments will facilitate this. Together these actions can deliver enhanced regional environmental outcomes in a more streamlined and cost-effective way.

The EPA publishes this advice consistent with Goal 2 of the EPA Strategic Plan 2023–2026, to “*Provide independent strategic advice that improves environmental protection and policy*”, and consistent with its functions and powers under sections 16 and 17 of the *Environmental Protection Act 1986* (WA).



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## Offsets at a regional scale: Guiding values

Consistent with existing State and Commonwealth offsets policy, the EPA considers that environmental offsets which counterbalance the significant residual impacts of proposals and schemes should only be considered after all measures to avoid, minimise and mitigate have first been applied. It should be noted that environmental offsets may not be appropriate for all proposals and suitability is assessed on a case-by-case basis.

State and Commonwealth offsets policy aim to ensure counterbalancing of significant impacts of proposals and are usually applied at a local scale for biodiversity impacts. The EPA advises that each of the following values should guide any broader consideration that proponents and government elect to give of the contribution that offsets can make to holistic environmental protection and enhancement at a regional scale.

**1. Restoration:** Prioritisation of restoration offsets is needed to address the cumulative effects of past environmental impacts and achieve nature positive outcomes. In addition to protecting existing high quality environmental values, offsets should identify achievable opportunities to enhance degraded and restore impacted environmental values to good to excellent quality consistent with science-based completion criteria. This could ensure nature positive outcomes are realised at a regional scale, especially if land acquisition alone offsets still result in a net loss of environmental values and ecosystem services within a region.

For example, a focus on restoring inland water quality and natural flows and/or restoring cleared and degraded areas of native vegetation to become good to excellent quality, particularly areas that buffer or connect high value remnant vegetation, can result in more beneficial environmental outcomes than just protecting high value habitat elsewhere in a region, if the former increases the resilience of environmental values and ecosystems.

**2. Regional scale management:** Environmental offsets should be consistent with new and emerging regional plans, reserve management plans, recovery plans, strategic programs and other regional level protection instruments. Environmental offsets should improve ecological linkages, provide environmental buffers and/or manage threatening processes, consistent with regional level management.

Offsets which involve management of threatening processes should complement management on lands outside of the boundary of the environmental offset to ensure threats are managed across tenures in a region in a coordinated and effective manner. Monitoring of the performance and resilience of offsets should be consistent with monitoring of regional environmental values as well as science-based completion criteria.

The immediate, short, medium and long-term needs of a region should be considered, and environmental offsets designed to ensure they provide benefits corresponding to each of these time scales.

**3. Resilient systems:** Environmental offsets should be designed in a way which builds and maintains resilience in ecological functions and ecosystem services. This may include consideration of climate change modelling and/or projections, ensuring inland water quality and flow requirements to support biodiversity, as well as maintenance, buffering and improvement of significant ecological linkages, conservation areas and places of ecological significance.

**4. Expanding scientific knowledge:** Environmental offsets should contribute to environmental knowledge of a region, for example through research into knowledge gaps which are likely to contribute to enhanced protection, or restoration trials. Periodic performance monitoring, evaluation and reporting of the environmental outcomes of offsets in a way which expands scientific knowledge should also be required. Results of research and performance monitoring should be made public, for example as part of public offsets registers or other public databases. Expanding the transparent scientific knowledge of ecosystem services and potential for restoration success in the region should be a component of all regional environmental offsets.

**5. Like for like, and similar, values:** Environmental offsets usually aim to replace an environmental value or ecosystem service with the same value or service as that being impacted (i.e. like-for-like). Restoration offsets which meet science-based completion criteria can also have an environmental benefit even where they may not fully replicate the impacted environment. Like-for-similar environmental offsets can be considered where a regional environmental need and benefit can be demonstrated.

**6. Connectedness:** Environmental offsets that demonstrate connectedness of the physical or ecological function values with those being impacted should be prioritised. For example, environmental offsets within the same region and habitat which support the same function (e.g. protecting or improving breeding habitat or inland water quality). Environmental offsets in a neighbouring region can be considered where it can be demonstrated there is beneficial connectivity of ecological functioning that should be improved or protected.

**7. Co-benefits for social surroundings:** Environmental offsets which provide greater co-benefits for the same environmental outcome should be prioritised. For example, this may include the restoration of environmental values associated with heritage, cultural or social significance, or improved recreation opportunities in high value areas where this is consistent with conservation. The proposed offsets and potential for social surroundings co-benefits should be developed in consultation with relevant stakeholders, including Traditional Owners and the community, to ensure the co-benefits are valuable.

## **Offsets at a regional scale: Recommended priorities**

The EPA recommends the following policy priorities for government, to facilitate environmental offsets achieving environmental protection and enhancement at a regional scale. The implementation of these priorities should assist proponents and partners to develop and invest in protection and enhancement of regional environmental outcomes through coordinated and prioritised offsets proposals and contributions.

**1. Land availability and security:** Environmental offset sites which contribute to achievement of regional environmental protection goals should be identified early and secured for protection and enhancement purposes. This includes in areas where ecological functioning in a region is low and therefore any impact is likely to be disproportionately high without an offset; areas where ecological value is high but likely to come under significant development pressure; and areas which are important to act as an ecological buffer or provide connectivity.

Flexible pathways should be enabled to prioritise and secure tenure for offsets, including but not limited to conservation reserves and conservation covenants. A whole-of-government approach is needed to enable prioritisation and use of lands for offsets in a region.

**2. Regional Plans, Recovery Plans:** Regional and Recovery Plans should be developed in ways which ensure offsets are logically and strategically located in areas of greatest regional environmental benefit and do not lead to perverse environmental outcomes, such as inadvertently increasing fragmentation. Regional and Recovery plans should be funded and implemented. Regional conservation and restoration offset opportunities should be developed. Development of other regional level protection and recovery instruments may be supported.

**3. Monitoring and transparency:** Priority should be given to the requirement for collection and publication of regional data that is freely accessible to the public, industry and government. Promotion of its use should occur to ensure open accessibility of regional data for environmental impact assessment and environmental performance monitoring, including of offsets. An accurate public database of all environmental offsets which could contribute to regional environmental benefit should be developed support transparency and accountability.

**4. Holistic values mapping:** Mapping of ecological values, functions and performance should be undertaken to contribute to a greater understanding of environmental protection needs and opportunities at holistic levels. Offsets opportunities which contribute to protection of a broad suite of environmental values which are holistically connected should be developed.

**5. Research programs:** Programs to identify and prioritise information gaps should be developed to better promote and determine appropriate, coordinated research and trial efforts which offsets can contribute to ensure and enhance regional environmental protection.

**6. Advanced offsets:** The development of advanced/early offsets where practicable and their place in the restoration economy should be supported. Advanced offsets which support conservation outcomes at a regional scale may be led by Traditional Owners, government, partners or industry groups. Opportunities should be provided to invest in State restoration projects, and clear, achievable science-based completion criteria should be developed to support advanced offsets and improve decision-making confidence.

Emerging programs such as carbon offsets should incorporate improving broader environmental outcomes such as biodiversity and water values.

**7. Roles in delivering outcomes:** The responsibility for each element of environmental offsets delivery – identification, development, implementation, monitoring – should involve the parties who are able to contribute to that element. Proponents usually have responsibility for the achievement of offsets outcomes, but partners may also be engaged to identify and deliver environmental offsets. Governments usually have responsibility for the design and implementation of strategic environmental offsets, but proponents and partners may have valuable contributions to make too, such as provision (or relinquishment) of tenure, or management services.

## Offsets at a regional scale: Implementation

To avoid potential for duplication or inconsistency, the EPA does not propose to develop its own separate offset frameworks, policies, guidelines or calculators.

The EPA will instead promote the guiding values and priorities in this public advice through engagement with State and Commonwealth agencies, including reviews of existing offsets and regional planning frameworks, such as the State Native Vegetation Policy, the Commonwealth Regional Planning Frameworks and Nature Positive Plan.

In addition, if a proponent elects to develop an offset for the purpose of contributing to a regional scale benefit as part of a Part IV of the *Environmental Protection Act 1986* (WA) proposal or scheme, the EPA is likely to take these guiding values into account in its assessment.

To provide proponents with certainty of process, and to provide the community with confidence in the environmental benefit of offsets, the EPA advises that it expects key principles of existing Commonwealth and State policies will remain relevant to considering offsets at a regional scale, including that offsets proposals should be: based on sound environmental information and knowledge; proportional and reasonable; additional and effective; transparent; enduring and secure; monitored and enforced; and consistent with adaptive management.

Environmental Protection Authority 2024, *Public Advice: Considering environmental offsets at a regional scale*, EPA, Western Australia.

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