



annual report 2011-12

**Environmental Protection Authority and
Office of the Environmental Protection Authority**

Acknowledgments

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24 September 2012

Letter to the Minister

Hon Bill Marmion MLA

Minister for Environment

In accordance with s21 of the *Environmental Protection Act 1986* and s63 of the *Financial Management Act 2006*, we submit for presentation to Parliament the combined Annual Reports of the Environmental Protection Authority and the Office of the Environmental Protection Authority for the year ended 30 June 2012.

This report has been prepared in accordance with the *Financial Management Act 2006*.



Dr Paul Vogel

Chairman

24 September 2012



Kim Taylor

General Manager

24 September 2012

About this annual report

The Office of the Environmental Protection Authority (OEPA) is a Department of State and is required to publish an Annual Report under s63 of the *Financial Management Act 2006*.

The Environmental Protection Authority (EPA) is an independent statutory authority established under the *Environmental Protection Act 1986* (EP Act). Under s21 of the EP Act the EPA has a separate obligation to provide an Annual Report to the Minister.

Much of the work of the OEPA services the EPA in undertaking its statutory functions. As such, much of the information required for each entity's annual report is common. This combined annual report is provided to meet both statutory obligations, with distinctions drawn between the EPA and OEPA where appropriate.



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Executive summary and significant issues

PART 1
7

408 referrals Public advice given on **120** referrals

38 reports released **5** assessment reports released under a Commonwealth bilateral agreement **27** meetings of the EPA

55 compliance audits completed **15** changes to conditions approved **80%** of assessments met agreed initial timelines

First uranium assessment **45** changes to proposals approved.

Accuracy of predicting environmental impacts **100%**

Average cost per environmental compliance audit **\$27,594**

87% of audited projects met all environmental conditions

80 Environmental Management Plans approved

Average cost per policy development **\$120,693**

Average cost per assessment **\$40,688**

Message from the Chairman



Western Australia is a state like no other.

Home to 2.3 million people, 85 per cent of whom live in the south-west corner of the State, Western Australia is Australia's largest state and the second largest subnational entity in the world.

By virtue of our State's size, geology, varied climate and relative isolation, we have a vast array of fauna and flora, some of which exist

nowhere else in the world.

Indeed the south-west of Western Australia is one of the world's 34 biodiversity 'hotspots', with some of the richest and most threatened reservoirs of plant and animal life on Earth.

Offering a glimpse into the scale and complexity of the State's biodiversity are the interesting facts that there are more plant species in Fitzgerald River National Park than in the entire United Kingdom and more marine biodiversity documented in Western Australia's North West Shelf than in any other region in the world.

Our geology, of course, has also endowed Western Australia with enormous mineral, oil and gas resources and their exploitation brings with it jobs and prosperity.

However it is the exploitation of these resources that poses potential risks to the environment.

With Western Australia's population projected to double to more than five million people in the next 45 years, the demands placed on the environment and the challenges the EPA face in making recommendations will be greater than ever before.

Economic conditions in the mining and development industry this past year have once again driven the number of referrals to the EPA.

In 2011 – 12, the EPA received 408 referrals, approved 45 changes to proposals and 80 Environmental Management Plans and released 38 reports.

Many of these reports generated high public interest, including the report and recommendation into Toro Energy's proposal to establish Western Australia's first uranium mine.

Other major assessment reports included BHP Billiton's Port Hedland Outer Harbour project, a multi-user iron ore export facility at Port Hedland, expansion of iron ore operations at Jack Hills and Cloudbreak and new iron ore mine proposals in the Yilgarn and West Pilbara.

Each of these projects had numerous environmental impacts on vegetation, flora, fauna, wetlands, groundwater, the marine environment, heritage and air quality.

As the State's environmental watchdog - as we are often referred to - our role is to not only identify and assess each potential environmental impact associated with a particular development but to also understand the cumulative environmental impacts arising from the development of several proposals within a region.

It is through identifying the impacts and risks to the environment from a proposed development through an environmental impact assessment, also known as an EIA, that the EPA is able to make informed recommendations to the Minister.

A universally recognised predictive tool based on science, evidence, legislation and policy, an EIA is a systematic process that allows the community and government to form a view about the environmental acceptability of a proposal and what impact avoidance and risk reduction measures should apply if it gains the Government's seal of approval.

In other words, an EIA seeks to understand the environmental consequences of putting things into the environment, such as chemicals and infrastructure, and/or taking things out, such as wetlands and marine habitat, and if and how these consequences can be avoided or mitigated.

The process is based on predicting the impacts and risks of a proposal in its environmental setting using extensive information and experience, including from other similar projects.

Though we will never be in a position of knowing everything, it is important that we can satisfy ourselves that we know enough to provide informed advice and recommendations to the Government.

I am pleased that a recent report prepared for the Victorian Parliament considered the EIA process in Western Australia as an example of best practice both nationally and internationally, modelling its own recommendations on Western Australia's legislation and administrative arrangements.

A comparative study in the academic literature found Western Australia's EIA process was the one jurisdiction, of eight jurisdictions world-wide, which satisfied 14 key criteria for environmental impact assessment effectiveness.

Other strengths noted in the report included the EPA's independence and the scientific and technical approach the EPA applies to environmental assessment.

With EPA boards meeting more than 1000 times over the past 41 years, it is fair to say we have collectively accumulated considerable experience in using the best information available to make informed and transparent judgements.

In saying that, as Western Australia's growth is projected to increase dramatically over the next decade, we face the imminent challenge of further improving the timeliness, certainty and effectiveness of the EIA process to meet demand.

The EPA and Office of the EPA's reform agenda, which began in February 2008, is already paying dividends.

One example where reform has made a real, practical difference is how we consult with proponents on the technical aspects of the EPA's recommended conditions, leading to a significant reduction in the time that proposals spend in the appeals process.

Strongly supporting the concept of 'front-end loading', whereby the proponent engages in robust planning and design at the front end of a project where the cost to make changes in design is relatively low, the above reform has led to quantifiable economic benefits for both the proponents and the State, with the revised administrative procedures resulting in 80 per cent of proposals reported on within agreed time frames, without compromising environmental standards.

Another significant reform we have undertaken is our very successful 'outreach' program, which allows us to engage stakeholders both at EPA board meetings and on our site visits.

This program is providing the EPA with a better understanding of issues concerning the community, industry, peak bodies and environmental groups.

It is clear that for the EPA and OEPA to meet increasing demands, and in a timely manner, we must work with industry and other government departments to further evolve our processes.

Likewise, I would call on industry, which is not usually amenable to sharing information - particularly environmental information - with competitors, to also consider working together, particularly when projects under assessment or likely to be, are in close proximity.

The scale, pace and complexity of development in Western Australia necessitates a more sophisticated, strategic and inclusive approach to the life cycle of development assessment and environmental management.

Reform initiatives I have outlined, combined with clear policy direction, have set the foundations needed to meet future demands.

I wish to thank the other board members, Dr Chris Whitaker (Deputy Chairman), Denis Glennon, Dr Rod Lukatelich and Elizabeth Carr, for their professionalism and integrity.

On behalf of the EPA board, I wish to express my appreciation and thanks for the high level of professional support and advice we have received from staff of the OEPA. Having a separate department of State created by Government to support the EPA has proven to be an enormously beneficial governance change.

Finally, as the EPA moves into its fifth decade, I believe we are well placed to meet the challenge of managing the environmental impacts on our prosperous State.



Dr Paul Vogel
CHAIRMAN EPA



General Manager's overview



Strong economic growth in Western Australia in 2011 – 12 was reflected in a significant workload on the Office of the EPA in providing environmental impact assessment and other services to the EPA.

OEPA officers assisted the EPA to undertake 36 assessments covering development proposals, planning schemes and strategic assessments. These included a number of large and complex assessments including the

Wiluna Uranium Project and Port Hedland Outer Harbour Development.

The OEPA also assisted the EPA in the development of strategic advice, Environmental Protection Bulletins and Environmental Assessment Guidelines to influence the achievement of better environmental outcomes and deliver more timely and efficient assessments. This included strategic advice on ensuring best practice environmental management of development of the State's large onshore gas reserves using hydraulic fracturing.

Monitoring compliance with Ministerial approval conditions continued to be a major focus for the OEPA in 2011 – 12, with specific attention given to quarrying projects and desalination plants.

Consistent with the Government's goal of best practice approval processes, the OEPA also continued its focus on improving its business processes.

A key step was preparation of an Information Management Strategy to guide development of the OEPA's information management systems. We also began development of a comprehensive case management system to coordinate all of the department's approvals processes electronically.

During the year, the department developed and began implementation of a substantial Organisational Development Program including enhancing its service culture, leadership and capability development and structural improvements.

Achievement of the department's substantial work for the year was a reflection of the staff's continuing strong work commitment and desire for protection of the State's environment.

The OEPA's capacity to undertake its functions would not be possible without its collaborative relationships with other State agencies, particularly the Department of Environment and Conservation. Additionally, constructive engagement with industry and environmental stakeholders has been an essential part of improving our policy outputs and business performance.

I would also like to acknowledge the ongoing support and commitment of the members of the Environmental Protection Authority who provided significant advice and guidance to officers of the OEPA throughout the year.

Kim Taylor
GENERAL MANAGER OEPA





Relationship between the EPA and OEPA and legislative framework

PART 2

Relationship between the EPA and OEPA

The Environmental Protection Authority is a five-member board appointed by the Governor of Western Australia. Neither the Authority nor its Chairman, Dr Paul Vogel, is subject to the direction of the Minister.

The EPA has statutory obligations under the *Environmental Protection Act 1986* (EP Act) to conduct environmental impact assessments, initiate measures to protect the environment from environmental harm and pollution and to provide advice to the Minister on environmental matters generally.

The Minister provides the EPA with services and facilities to help it perform its functions. These support services are provided by the Office of the Environmental Protection Authority (OEPA), which is a State Government department and accountable to the Minister for Environment, as well as to the EPA.

The OEPA supports the EPA in conducting environmental impact assessments and developing policies to protect the environment. The OEPA also monitors compliance with Ministerial conditions related to approvals.

Legislative framework and specific responsibilities under the *Environmental Protection Act 1986*

The EPA is established under s7 of the EP Act as an independent statutory authority, and its advice to Government is public. EPA members are not public servants.

Under the EP Act, the objective of the EPA is to: 'use its best endeavours – a) to protect the environment; and b) to prevent, control and abate pollution and environmental harm'.

The functions of the EPA outlined under s16 of the EP Act are broad and include:

- conducting environmental impact assessments
- preparing statutory policies for environmental protection
- preparing and publishing guidelines for managing environmental impacts, and
- providing strategic advice to the Minister for Environment.

Figure 1: Relationship between the EPA, OEPA and the Minister for Environment



In line with these functions, the EPA is responsible for administration of Part III (environmental protection policies) and Divisions 1 and 3 of Part IV (environmental impact assessment) of the EP Act.

The activities of the EPA are addressed in Part 3 of this combined EPA and OEPA annual report for 2011–12.

The OEPA was established in accordance with the *Public Sector Management Act 1994*, and provides services to the EPA in line with s17A and s22(1) of the EP Act.

In line with s22(1), the OEPA is also responsible for servicing the Minister for Environment in performance of his functions under the EP Act, particularly for granting and managing Ministerial approval statements for projects under Divisions 2 and 3 of Part IV of the EP Act.

The OEPA is also responsible for administering s48 of the EP Act in monitoring compliance of projects with Ministerial approval conditions and reporting on this to the Minister.

The activities of the OEPA are addressed in Part 4 of this combined EPA and OEPA annual report for 2011–12.

Subsidiary legislation

Subsidiary legislation also relevant to the EPA/OEPA's functions includes:

- Environmental Protection Regulations 1987
- Environmental Protection (Swan Coastal Plain Lakes) Policy 1992
- Environmental Protection (Gnangara Mound Crown Land) Policy 1992
- Environmental Protection (Peel Inlet - Harvey Estuary) Policy 1992
- Environmental Protection (Kwinana) (Atmospheric Wastes) Policy 1999

- Environmental Protection (Kwinana) (Atmospheric Wastes) Regulations 1992
- Environmental Protection (Goldfields Residential Areas) (Sulphur Dioxide) Policy 2003
- Environmental Protection (Goldfields Residential Areas) (Sulphur Dioxide) Regulations 2003
- Environmental Protection (South West Agricultural Zone Wetlands) Policy 1998
- Environmental Protection (Western Swamp Tortoise Habitat) Policy 2011

It should be noted that other parts of the EP Act and the observance of the subsidiary legislation referred to above are also administered by the Department of Environment and Conservation.

Changes and updates during 2011–12

In January 2012, the Minister for Environment approved the EPA's delegation to the CEO of the Department of Environment and Conservation of its powers under regulation 17 of the Environmental Protection (Noise) Regulations 1997. This delegation will streamline approvals where noise is the key environmental factor.

In February 2012, the Minister approved the renewal of the Western Swamp Tortoise Environmental Protection Policy. The policy, which was originally put in place in 2002, protects key habitat for the Western Swamp Tortoise, which is the most endangered tortoise in the world.





Environmental Protection Authority

PART 3

The EPA's key strategies for 2010–2013 are to:

- **Provide early strategic advice and guidance**
- **Enhance the value placed by the community on the environment**
- **Reform its business practices to improve certainty, rigour and timeliness.**

Environmental Protection Authority

The five members of the EPA are appointed by the Governor on the recommendation of the Minister for Environment. The current EPA is Dr Paul Vogel (Chairman), Dr Chris Whitaker (Deputy Chairman), Dr Rod Lukatelich, Mr Denis Glennon AO, and Ms Elizabeth Carr.

Profiles of all current EPA members are on the EPA website.

The EPA met 27 times during the year.

Attendance at meetings

Dr Paul Vogel	Dr Chris Whitaker	Mr Denis Glennon	Dr Rod Lukatelich	Ms Elizabeth Carr
24	24	20	23	15*

* Ms Carr was appointed in October 2011.

The EPA meets to consider proposals and deal with other business each fortnight. Additional meetings may be arranged if required. Meetings of the Board are usually held in Perth, but may be combined with site visits to regional areas.

EPA Strategic Plan

The EPA *Strategic Plan 2010—2013* outlines the context in which the EPA operates and its strategies and priorities. The Plan also articulates the EPA's vision for reforming its practices to stay ahead of the changing environmental and business conditions in which it operates.

The EPA *Strategic Plan 2010—2013* is available on the EPA website.

The EPA's key strategies for 2010—13 are to:

- Provide early strategic advice and guidance
- Enhance the value placed by the community on the environment
- Reform its business practices to improve certainty, rigour and timeliness.

During 2011—12, the EPA continued its reform initiatives. The Chairman, Dr Paul Vogel, discusses the EPA's direction in his message at the beginning of this annual report.

This section is structured under the three key strategies.

Provide early strategic advice and guidance

The EPA will provide early strategic advice and guidance to Government and proponents to influence the achievement of better environmental outcomes. This will also deliver more timely and efficient assessments on individual proposals.

The EPA will strengthen its partnerships with other agencies and promote collaborative approaches to addressing cumulative impacts and emerging issues, including through the use of strategic assessments.

Policy, guidelines and strategic advice

The EPA develops a range of policies, guidelines and other instruments to provide guidance and advice to Government and proponents. The EPA is constantly seeking to review existing policy and develop new policy where required to ensure that this guidance is provided to proponents to convey the EPA's current thinking in relation to specific aspects of the EIA process.

Environmental Protection Policies (EPP) are statutory policies under Part III of the *Environmental Protection Act 1986* (the EP Act).

State Environmental Policies (SEP) are developed by the EPA under Part II of the EP Act, and are considered by Cabinet before adoption as whole-of-Government policies.

Environmental Protection Bulletins (EPB) outline the view of the EPA on various environmental or procedural matters.

Environmental Assessment Guidelines (EAG) are issued by the EPA to provide advice to proponents and the public generally on the procedures and minimum environmental requirements that the EPA expects to be met during the environmental impact assessment process.

Environmental Assessment Guideline for Marine Dredging Proposals (EAG 7)

Dredging proposals considered by the EPA are often large by global standards, frequently located in environmentally sensitive settings, and can attract considerable public scrutiny.

Recognising that considerable uncertainty remains in relation to proponents' predictions of environmental impacts from dredging proposals, the EPA developed a framework for presenting impact predictions that allows predictive uncertainty to be taken into account during assessments.

A fundamental part of the EPA's framework is a spatial zonation scheme designed to allow clear and consistent presentation of the extent, severity and duration of a range of likely impacts. This range of predicted impacts is a basis on which the EPA develops advice regarding environmental approval conditions.

The guidance also takes steps to ensure efficiency and cost-effectiveness can be factored into monitoring and management programs implemented by dredging proponents.

The [Environmental Assessment Guideline for Marine Dredging Proposals](#) was released to coincide with the PIANC/Environmental Consultants Association dredging workshop held in Perth from 26–27 September 2011.

Environmental Protection Bulletin 14 - Guidance for the assessment of benthic primary producer habitat loss in and around Port Hedland

In recent years, the scale and rate of development in the Port Hedland inner harbour has increased considerably, mainly to support increased throughput of iron ore from Pilbara mines.

The port of Port Hedland has developed into one of the world's busiest ports, which continues to place pressure on Port Hedland's marine habitats.

The incremental loss of benthic primary producer habitats is a factor routinely considered by the EPA when it assesses new development in the port. These losses are assessed in the context of guidance presented in the EPA's *Environmental Assessment Guidelines for Protection of Benthic Primary Producer Habitat in Western Australia's Marine Environment* (EAG 3) which requires, among other things, that the cumulative loss of habitat is considered within defined areas.

Through its analysis of assessment units applied in previously assessed proposals, the EPA found that different proponents used different assessment units for their calculations of habitat loss, impacting on the consistency of the EPA's assessments.

In response, the EPA prepared Environmental Protection Bulletin 14 to establish a common Local Assessment Unit for the Port Hedland inner harbour. The bulletin provides proponents and stakeholders with critical location-specific information to streamline the implementation of EAG 3 and help port managers develop systems to account for development-related marine habitat loss over time.

Environmental Protection Bulletin 14 was released on 31 August 2011.

Fortescue Marsh strategic guidance

Fortescue Marsh is a highly bio-diverse wetland at the terminus of the Upper Fortescue River in the Pilbara. There are extensive mining operations and mineral deposits in the surrounding areas.

On behalf of the EPA, the OEPA has been finalising strategic guidance for the Fortescue Marsh in collaboration with the departments of Water, Environment and Conservation, State Development, and Mines and Petroleum, after undertaking stakeholder consultation during 2011 – 12 on appropriate assessment and management approaches for the Marsh. The feedback received from stakeholders is expected to contribute to an improved and consistent approach to management of the risk of cumulative impacts to the water regime and environmental values of the Marsh.

The guidance, which is yet to be published, has prioritised various zones around the Marsh in terms of protecting biodiversity and maintaining water regimes together with identifying relevant values, objectives and management strategies.

While provision of the guidance will represent a significant step towards improved protection and management of the Marsh, further work is needed to develop a better understanding of the hydrogeology and biodiversity of the Marsh area.

Strategic Assessment of the Perth-Peel Region and development of EPA Strategic Advice

All significant developments in Western Australia are potentially subject to State and Commonwealth environmental laws.

In order to streamline the approvals process in the Perth-Peel region under the federal *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act), the Western Australian ministers for Planning and Environment signed an agreement with the Commonwealth Government in May 2011 to pursue a Strategic Assessment of the Perth-Peel region.

The final agreement was announced on 18 August 2011. The Strategic Assessment applies to matters that are of concern to the Commonwealth Government, in particular Matters of National Environment Significance.

To ensure parallel consideration of State environmental issues not included in the scope of the Commonwealth Government's assessment, the EPA decided to provide separate strategic advice under section 16(e) of the EP Act and began preparation of its advice during the year.

The OEPA has also actively contributed information to the Commonwealth Government's strategic assessment during 2011–12.

Subterranean fauna

In April 2011, the EPA resolved to pursue a more risk-based approach to assessing subterranean fauna within environmental impact assessment and established an Advisory Group to provide advice on development of a discussion paper, leading to an Environmental Assessment Guideline.

In March 2012, the EPA released the discussion paper *A review of subterranean fauna assessment in Western Australia* for a four week public comment period of targeted stakeholders and general public review.

Key elements of the discussion paper included a summary of the state of knowledge of subterranean fauna in Western Australia and their consideration in environmental impact assessment, a risk based assessment approach and the use of surrogates to determine connectivity between subterranean ecosystems.

Following consideration of the submissions received, a Technical Group was established to provide advice. Information from the review and input from the Technical Group will be used to develop a draft Environmental Assessment Guideline during 2012–13.

Matters of National Environmental Significance are defined under the EPBC Act, which provides a legal framework to protect and manage nationally and internationally important flora, fauna, ecological communities and heritage places.

State Environmental (Cockburn Sound) Policy 2005

The EPA and OEPA worked collaboratively with the DEC and the Cockburn Sound Management Council (CSMC) to respond to the Western Australian Auditor-General's report on the implementation of the State Environmental (Cockburn Sound) Policy 2005 (Cockburn Sound SEP).

The report found that a strong policy and management framework has been established for Cockburn Sound but that a number of gaps exist in monitoring and implementation. The EPA and OEPA worked closely with the other organisations to address the recommendations put forward by the Auditor-General.

A number of recommendations were implemented immediately, while others will be addressed in the Cockburn Sound SEP review.

The EPA formally initiated the review of the SEP in February 2012.

The OEPA has identified the issues to be addressed in the review, in close consultation with the CSMC, and has started reviewing the policy document and the two technical supporting documents for the purpose of stakeholder consultation on behalf of the EPA.

Waste to Energy

In late 2011 the Minister for Environment requested that the Waste Authority and the EPA work together to provide him with advice on the environmental and health performance of waste to energy facilities, internationally.

The focus of the advice will be on the processing of mixed non-hazardous waste (including municipal refuse and commercial waste) and low level hazardous waste such as tyres, paints and common solvents. It will not cover high level hazardous waste or hospital waste.

As part of the project, an international review of existing waste to energy facilities has been commissioned. The review is examining a range of operating facilities employing a variety of waste to energy technologies including incineration, gasification, and pyrolysis, across a number of jurisdictions in Europe, the United States, Japan and Australia. It will develop a comprehensive profile of a number of facilities, examining their feedstock, design, operation and emissions, and the regulatory framework under which they operate.

The DEC and the OEPA are working in partnership on the project on behalf of the Waste Authority and the EPA.

The advice to the Minister will be published by the EPA under section 16(e) of the EP Act and is expected to be finalised by the end of 2012. It will provide an important reference to support the EPA's assessment of a number of recently referred waste to energy facilities (see descriptions of waste to energy proposals currently being assessed in Part 4).

Environmental Protection (South West Agriculture Zone Wetlands) Policy 1998

This EPP protects registered wetlands from further degradation by human activities such as filling, excavating, discharging of effluent, draining and damaging or clearing fringing native vegetation. It also promotes the rehabilitation of wetlands in the South West Agricultural Zone of the State.

Wetlands may be nominated for registration under the EPP whether they are on Crown land or on private land where landowner consent has been given.

There are currently two wetlands on the Register of Protected Wetlands. These are Lake Monjingup in the Shire of Esperance and Koojedda Swamp in the Shire of Northam.

In December 2008 the EPA reviewed the South West Wetlands EPP and released a new draft EPP for public comment.

The comment period closed in March 2009 and submissions received were considered by the EPA during 2010—11.

Further discussions with regional Natural Resource Management groups were carried out during 2011—12.

A revised draft EPP and a report to the Minister for Environment are expected to be completed in 2012—13.

Environmental Protection (Western Swamp Tortoise Habitat) Policy 2011

This EPP declares beneficial uses that are to be protected and aims to ensure management activities within the policy area do not adversely impact on the habitat or these beneficial uses.

The EPA transmitted its report and a revised draft EPP to the Minister in October 2010. The report recommended retaining the 2002 EPP unchanged and introducing Special Control Areas over the existing policy area and translocation sites for the tortoise.

The Minister supported the EPA's recommendations to continue the protection of the western swamp tortoise habitat through the release of a new policy Environmental Protection (Western Swamp Tortoise Habitat) Policy 2011, gazetted on 14 February 2012.

The Western Swamp Tortoise, *Pseudemydura umbrina*, is listed as critically endangered. There are estimated to be less than 50 adults in the wild.

Hydraulic Fracturing of Gas Reserves – Environmental Protection Bulletin 15

An emerging trend in Western Australia during 2011 – 12 was the increasing level of public interest in hydraulic fracturing (fracking).

Fracking is a process that pumps fluids and other materials under high pressure into wells to open channels in the rock formations, increasing the flow of and allowing extraction of gas reserves.

The technique allows gas to be extracted from geological formations that were previously inaccessible and not commercially viable.

Unconventional gas, particularly shale gas, is likely to be an important part of Western Australia's energy future and there is subsequently likely to be an increasing number of unconventional gas projects being developed.

The Bulletin outlines the EPA's approach and expectations regarding fracking proposals, in particular noting that it will continue to assess fracking projects on a case-by-case basis, in the same manner as for other mining and petroleum projects.

EPB 15 - Hydraulic fracturing of gas reserves was published in August 2011.

Minor or Preliminary Works and Investigation Work – Environmental Protection Bulletin 16

The EPA published EPB 16 to provide guidance to proponents on making a request to the EPA to undertake minor or preliminary works, and when it is appropriate to do so.

Minor or preliminary works are associated with the implementation of a proposal but are not of a scale or significance that would compromise the EPA's assessment or the Minister's future decisions.

The bulletin also provides information for Decision Making Authorities and provides examples of minor or preliminary work and investigation work.

EPB 16 - Minor or preliminary works and investigation work was published in December 2011.

Strategic and Derived Proposals – Environmental Protection Bulletin 17

In undertaking environmental impact assessment, it is widely recognised that strategic or ‘big picture’ approaches, rather than case by case assessments, can lead to more efficient planning and better environmental outcomes.

Provisions in the EP Act allow for the assessment of ‘strategic proposals’ by the EPA, although their use has been limited. Under these provisions, the assessment of a strategic proposal may give rise to more streamlined consideration of future ‘derived’ proposals that fall within the parameters of the strategic proposal.

The EPA believed it was timely to provide information, and published EPB 17 to describe its approach and its expectations of proponents of strategic and derived proposals.

The bulletin outlines the relevant provisions of the EP Act, the assessment process, the EPA’s expectations regarding public involvement, and its approach to setting conditions.

EPB 17 - Strategic and derived proposals was published in February 2012.

Sea Level Rise – Environmental Protection Bulletin 18

The EPA believes that managing for the risk of sea level rise is important to both protect infrastructure and mitigate the impact of proposals, particularly for those proposals in coastal areas with a long operational life.

The EPA released this bulletin to outline its expectations for environmental impact assessment with respect to rising sea levels. It describes the considerations the EPA will apply through the EIA process and the requirements for proponents to identify and include related matters in their environmental assessment documentation.

It is expected that proponents will develop an understanding of the potential consequences of sea level rise for EIA of their proposals and develop management strategies to address them.

EPB 18 - Sea level rise was published in June 2012.

While there are a range of predictions, a rise of 0.9 metre in mean sea level by 2110 is the projection endorsed by the Western Australian Government as currently the best for decision making.

Enhance the value placed by the community on the environment

The EPA will place greater emphasis on informing the community about the State's environmental values, and explaining its decisions through bulletins, reports and community engagement strategies.

Public reports and recommendations

During 2011–12, the EPA published 38 reports, details of which can be found in Part 4 – Office of the EPA and in Appendix 1.

Community engagement

Throughout 2011–12 the EPA continued to strengthen its public communications, with the support of the OEPA.

Stakeholder Reference Group

The EPA has a Stakeholder Reference Group (SRG) to consult with key stakeholders and peak industry bodies.

In 2011–12, the Terms of Reference and membership of the SRG were reviewed to reflect the shift in focus of the SRG from the implementation of approvals reform to broader environmental matters. The core membership of the SRG consists of representatives from peak industry bodies, conservation groups, and other government departments.

The SRG meets every quarter to provide high level strategic advice on the policies, strategies and processes that frame the EPA's work, as well as to provide a two-way forum for stakeholders to raise topics to be discussed and contribute constructively.

A key issue considered by the SRG during 2011–12 was hydraulic fracturing of conventional gas resources.

Organisations represented on the SRG are:

- Association of Mining and Exploration Companies
- Australian Petroleum Production and Exploration Association
- Chamber of Commerce and Industry
- Chamber of Minerals and Energy
- Department of Mines and Petroleum
- Department of State Development
- Urban Development Institute of Australia
- WA Local Government Association
- Department of Planning
- Environmental Consultants Association
- Conservation Council of WA
- Department of Environment and Conservation
- Environmental Defenders Office
- World Wildlife Fund
- Department of Health
- Department of Water

Site visits

It is vitally important that the EPA gains a first-hand appreciation of the nature and scale of significant proposed development, where it sits in the landscape, the potential environmental impacts and risks and how they might be managed. The EPA also wants to listen to the views, concerns and ideas of all interested parties and stakeholders.

Site visits are invaluable in informing the Authority's decisions and advice to the Minister for Environment. These visits are frequently combined with local Civic and Business Leaders' Breakfasts as an opportunity to share information about the role of the EPA in development assessment, the approaches it takes in formulating its advice, and the assessment and approvals reform agenda being implemented in the EPA and across Government.

During 2011–12, the EPA visited Kings Park and the WA Herbarium to gain a better understanding of seed collection and seed banking and of contemporary practices in protection of rare species.

In November 2011, the board visited James Price Point, site of the proposed Browse LNG Precinct, to meet with Traditional Owners and representatives of various groups both in favour of and opposed to the precinct.

EPA website and newsletter

The EPA website continues to be a major vehicle for dissemination of EPA information including reports, guidance, bulletins and opportunities for public comment and formal submissions. During the year, progress was made towards providing a single online point for all EPA and OEPA consultation. This 'consultation hub' is expected to be in use in the first half of 2012–13.

Quarterly issues of the EPA's electronic newsletter were produced throughout the year, distributed to stakeholders and available on the EPA's website.

Reform business practices to improve certainty, rigour and timeliness

The EPA will continue to implement the environmental impact assessment reform program and other initiatives to improve the rigour, policy settings and timeliness of its decision making.

Reform initiatives in 2011—2012

Outcome of consultation on conditions

During the year, the OEPA concluded a review on behalf of the EPA on the impact of consulting proponents and decision making authorities on draft conditions. The practice is outlined in Environmental Protection Bulletin 11 *Consultation on Conditions Recommended by the EPA* (EPB 11) (EPA, June 2010).

EPB 11 describes new administrative procedures relating to consultation on EPA recommended conditions with proponents and decision making authorities. Consultations under these procedures are designed to identify any technical errors or unnecessary difficulties with implementation of the recommended conditions.

The review examined whether the consultation on conditions has reduced the number of appeals and if there has been a reduction in the time it takes to determine appeals. It found changes in the pattern of appeals which suggest significant improvements have been achieved. The percentage of appeals has halved and the number and percentage of 'no appeals' has nearly quadrupled. Appeal and condition setting times have been reduced by eight to 10 weeks.

The results show that there has been a statistically significant reduction in the Minister's appeal determination times (section 101 EP Act) from 14 weeks to four weeks after the introduction of consultation on conditions. While it is difficult to conclusively state that this change is wholly the direct result of the new administrative procedures outlined in EPB 11, it is reasonable to conclude that it is the primary cause.

The results reflect the benefits of the ongoing process improvements being made by EPA/OEPA. These improvements are making a significant contribution to the Government's approvals streamlining agenda.

Defining the Key Characteristics of a Proposal – Environmental Assessment Guideline 1

The final *Environmental Assessment Guideline for Defining the Key Characteristics of a Proposal* (EAG1) was released during the year to advise proponents on defining a proposal through the Key Proposal Characteristics.

Clear information explaining the project (what, why, when, where and how) is important to provide the EPA, Government and the community with sufficient context to properly evaluate the project. This general information, however, should be distinguished from the key elements of the proposal that will impact the environment and for which approval is being sought.

The EPA uses the Key Proposal Characteristics to assess those activities and to determine if the environmental impacts can be managed and, if so, under what conditions. They are also used to define the scope of an approval through the Ministerial Approval Statement.

EAG 1 - Defining the key characteristics of a proposal was published on 25 May 2012.

Changes to Proposals after Assessment – Environmental Assessment Guideline 2

Sometimes proposals need to be modified after the assessment and authorisation under the EP Act.

Environmental Assessment Guideline 2 - Changes to Proposals after Assessment – section 45C of the Environmental Protection Act 1986 (EAG 2) provides guidance to proponents on the scope and use of section 45C of the EP Act. It describes the information required from proponents to enable the consideration and, if appropriate, approval of the proposed changes to a proposal.

The guideline outlines the six aspects which are used to assess whether the proposed change can be approved.

Handy hints are included in EAG 2 for proponents to achieve a timely decision together with a checklist to ensure all the required information is provided with the request for changes to proposals after assessment.

EAG 2 - Changes to Proposals after Assessment - Section 45C of the Environmental Protection Act 1986 was published on 26 August 2011.

Shared Environmental Assessment Knowledge (SEAK) Project

As part of approvals reforms, a Government Taskforce was established in 2009 to develop a model for the sharing of information and knowledge generated through the environmental impact assessment process.

The SEAK Taskforce was chaired by EPA Chairman Dr Paul Vogel with members from industry, government and non-government organisations. Its specific terms of reference were to:

- develop a model for delivering improved environmental data management and knowledge building in relation to the assessment and approvals process
- develop a business case for implementation of the model using a co-investment government-industry-community partnership approach, and
- provide a report to the Minister with recommendations for the model and business case.

The **SEAK report** was delivered to the Minister during the year and is available on the EPA's web site.

Bilateral Agreement between the Commonwealth of Australia and the State of Western Australia relating to Environmental Impact Assessment

On 21 March 2012 a **bilateral agreement** was entered into by the State of Western Australia and the Commonwealth of Australia, replacing the previous 2002 bilateral agreement.

To be accredited, a state/territory process needs to meet 'best practice' criteria.

The need for a new bilateral agreement was triggered by the gazettal of the *Environmental Impact Assessment Administrative Procedures 2010* on 26 November 2010. The new procedures provided for two levels of assessment, reduced from five.

The new bilateral agreement accredits the Western Australian environmental impact assessment process. It allows the Australian Government Minister for Sustainability, Environment, Water, Population and Communities to rely on specified environmental impact assessment processes of the State of Western Australia in assessing actions under the EPBC Act.

After assessment, the proposed action still requires approval from the Australian Government Minister for Sustainability, Environment, Water, Population and Communities under the EPBC Act.

The following EPA assessment reports published in 2011 – 12 were conducted under the bilateral agreement:

- Report No 1410: Parker Range (Mount Caudan) Iron Ore Project
- Report No 1420: Point Grey Marina
- Report No 1425: Extension of Silica Sands Dredge Mining
- Report No 1429: Cloudbreak Life of Mine Project
- Report No 1437: Wiluna Uranium Project

Copies of the final bilateral agreement, a statement of reasons for entering into the agreement and a report on the public comments received on the draft bilateral agreement published under section 49A of the EPBC Act are on the [federal government website](#).

The bilateral agreement allows the Australian Government Minister for Sustainability, Environment, Water, Population and Communities to rely on specified environmental impact assessment processes of the State of Western Australia in assessing actions under the *Environment Protection and Biodiversity Conservation Act 1999*.





Office of the
Environmental
Protection Authority

PART 4

MINISTER FOR ENVIRONMENT
HON BILL MARMION MLA

ENVIRONMENTAL PROTECTION AUTHORITY
CHAIRMAN DR PAUL VOGEL

General Manager
Kim Taylor

Strategic Support
Director: Colin Murray

Assessment and Compliance
Director: Anthony Sutton

Strategic Policy and Planning
Director: Darren Foster

Business Operations
Director: Steve Beilby

Mining and Industrial Assessments

Marine Ecosystems

Information Management

Planning and Infrastructure Assessments

Terrestrial Ecosystems

Business Processes

Compliance

Strategic Policy

Executive and administrative support to the EPA

Office of the Environmental Protection Authority

Organisational structure

The Office of the Environmental Protection Authority has four divisions:

Assessment and Compliance Division

The Assessment and Compliance Division provides environmental impact assessment support to the EPA for significant proposals (that is, proposals involving major projects, industrial, mining, petroleum and infrastructure developments), strategic proposals and for planning schemes. The division also monitors compliance with Ministerial approval conditions.

The division is responsible for:

- administering the environmental impact assessment processes on behalf of the EPA, for significant proposals, strategic proposals and town planning schemes
- providing environmental impact assessment advice to the EPA on all major infrastructure proposals, major subdivisions, town planning schemes and amendments and regional schemes
- preparing draft EPA reports and recommendations to the Minister for Environment on environmental assessments
- assisting the Minister for Environment in issuing and managing environmental approval statements and conditions, and
- monitoring the implementation of proposals.

Strategic Policy and Planning Division

The Strategic Policy and Planning Division's role is to provide advice and support to the EPA, the Minister for Environment and other parts of Government by:

- providing technical and policy advice in relation to environmental impact assessment of significant proposals and schemes
- providing technical and policy advice on environment issues in general
- coordinating the development, analysis, implementation and review of environmental policies and guidelines
- managing the formulation and review of statutory Environmental Protection Policies
- contributing to strategic environmental planning
- developing strategic partnerships with stakeholders, including industry, environmental organisations and other Federal, State and local government agencies
- conducting investigations to improve understanding of the natural environment and inform successful policy approaches, and
- identifying emerging environmental pressures and innovative technical or policy solutions.

Business Operations Division

The Business Operations Division provides a range of support services to the EPA and the OEPA including:

- ministerial liaison
- legal services and Freedom of Information (FOI)
- financial services
- information management
- spatial data analysis
- media and communications, and
- executive support and administrative services to the EPA.

This division also facilitates and administers the corporate services arrangements with DEC.

Strategic Support Division

This division provides strategic support to the Chairman of the EPA and the General Manager of the OEPA.

Performance management framework

The OEPA's management framework is consistent with the Government goal for social and environmental responsibility, which is to ensure that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

The desired outcome is an efficient and effective environmental assessment and compliance system.

To achieve this outcome, the OEPA performs two services:

1. Environmental Impact Assessment and Policies
2. Environmental Compliance Audits.

To deliver our services, the OEPA undertakes three key functions:

Environmental impact assessment is undertaken to ensure the environmental impacts of development proposals and planning schemes are properly assessed and that appropriate conditions are applied.

Environmental policies and strategic advice contribute to EPA and Government environmental policy so that environmental values are protected.

Compliance and enforcement is undertaken to ensure projects and planning schemes comply with Ministerial approval conditions. Audits monitor compliance and the Minister is advised of any non-compliance.

During 2011—12 there was a strong focus on enhancing the way the OEPA operates as a department, and developing a robust Corporate Planning and Organisational Development Framework to guide the department through 2012—14.

This framework integrates our corporate and organisational development roles in the context of the EPA's *Strategic Plan 2010—2013*.

Performance analysis and trends

Resource agreement

Each year the OEPA is required to meet a number of targets set by the State Government. These targets relate to Government-desired outcomes, services to be delivered and performance targets to be achieved. The agreement is a transparent way for the State Government to monitor the operational performance of OEPA.

The OEPA evaluates, measures and reports on the effectiveness of its services in achieving its desired agency level outcomes through Key Performance Indicators or 'KPIs'. KPIs comprise both Effectiveness and Efficiency Indicators.

Effectiveness Indicators show the extent to which the department achieved its department-level outcome and the Efficiency Indicators show the cost of services delivered by the department, as summarised in the following tables.

Financial targets

	Target ⁽¹⁾ \$	Actual \$	Variation ⁽²⁾ \$
Total cost of services (expense limit)	16,509	13,991	2,518
Net cost of services	15,269	13,863	1,406
Total equity	517	1,555	(1,039)
Net increase/ (decrease) in cash held	(650)	969	1,619
Approved fulltime equivalence (FTE) staff level	103	96	7

Key Performance Indicators

	Target ⁽¹⁾ 2011-12	Actual 2011-12	Variation ⁽³⁾
Key Effectiveness Indicators			
<i>Outcome: An efficient and effective environmental assessment and compliance system</i>			
Percentage of approved projects with actual impacts not exceeding those predicted during the assessment	100%	100%	0%
Percentage of assessments that meet agreed initial timelines	80%	80%	0%
Percentage of audited projects where all environmental conditions have been met	80%	87%	7%
Key Efficiency Indicators			
Service 1: Environmental Impact Assessment and Policies			
Average cost per environmental assessment	\$ 49,077	\$ 40,688	(\$8,389)
Average cost per environmental policy developed	\$263,689	\$120,693	(\$142,996)
Service 2: Environmental Compliance Audits			
Average cost per environmental audit completed	\$23,264	\$27,594	\$4,330

¹ As specified in the budget statements for 2011 – 12.

² Explanations are contained in Note 26 to the Financial Statements - Explanatory Statement in Part 5.

³ Explanations for the variations between target and actual results are presented in the Key Performance Indicators in Part 5.

Environmental Impact Assessment and Policies

Manage the environmental impact assessment process and coordinate the development of policy for the Office to enable sound environmental advice to be provided to the Government, developers and the public in accordance with statutory functions.

	2010-11 actual \$	2011-12 target \$	2011-12 actual \$	Variance of target to actual \$
Total cost of service	11,769,231	15,113,000	12,231,628	(2,881,372)
Efficiency indicators				
Average cost per environmental assessment	39,336	49,077	40,688	(-8,389)
Average cost per environmental policy developed	192,162	263,689	120,693	(-142,996)

Overview

A key role of the EPA is to assess the environmental impacts of proposed developments and report to the Minister for Environment. A total of 408 development proposals and planning schemes were referred to the EPA for consideration in 2011 – 12: a slight decrease in comparison to 2010 – 11. Of these, the EPA determined that 17 referred proposals warranted formal assessment.

A further 120 referrals did not require assessment but specific advice was provided to proponents and approval agencies, primarily in relation to planning schemes.

In setting the level of assessment and carrying out environmental impact assessment, the EPA is guided by the *Environmental Impact Assessment Administrative Procedures 2010*.

The EPA began a review of the 2010 procedures in January 2012. The purpose of the review is to improve the certainty and clarity of the procedures based on lessons learnt during its operation over the past 18 months. The review is considered minor because the fundamental objectives, principles and practices identified in the procedures will not change considerably.

The EPA consulted with stakeholders to inform the review. The EPA also sought comment on the existing procedures from its Stakeholder Reference Group (SRG), which includes representatives from peak industry groups, government and non-government organisations, the university sector and environmental consultants, and invited comment from the broader public.

The new procedures are expected to be finalised in the third quarter of 2012.

Under the current Administrative Procedures, the EPA released 38 reports, with the type and number of assessments for 2011 – 12 shown in Table 1. A list of all proposals assessed is shown in Appendix 1.

Some of the more significant assessments are discussed in this section under the headings of Mining and Industrial and Planning and Infrastructure.

Table 1: Completed assessments in 2011 – 12

Type of assessment	Number
Environmental Review and Management Programme (ERMP) and Public Environmental Review Reports	12
Assessment on Proponent Information – Category A	8
Audit - Required under Ministerial Conditions	1
Changes to Conditions – Section 46 Reports	15
Planning – Section 48A Reports	1
Noise Regulation 17 Variation Reports	1
Total	38

Mining and industrial

The iron ore industry currently represents the majority of mining projects assessed by the EPA with key development areas being the Pilbara, Midwest and Yilgarn.

In 2011 – 12, the OEPA prepared assessment reports for twelve iron ore mining and associated infrastructure proposals in the Pilbara.

Discussions have been held with the major companies to understand their plans and to explore opportunities arising from a more strategic approach to their future developments.

Key agencies have also been consulted in relation to such an approach.

The major iron ore miners in the Pilbara are planning on doubling their annual iron ore exports over the next decade to almost one billion tonnes. This increase means that there will need to be new and expanded mines and additional rail and port infrastructure. Planning is also underway to maintain this level of activity into the future.

Major companies are intending to submit proposals for a number of new mines during 2012, in addition to the current mine and infrastructure assessments already progressing. Other Pilbara iron ore entrants are also looking at taking advantage of the market opportunities and are planning new mines, although generally at a smaller scale.

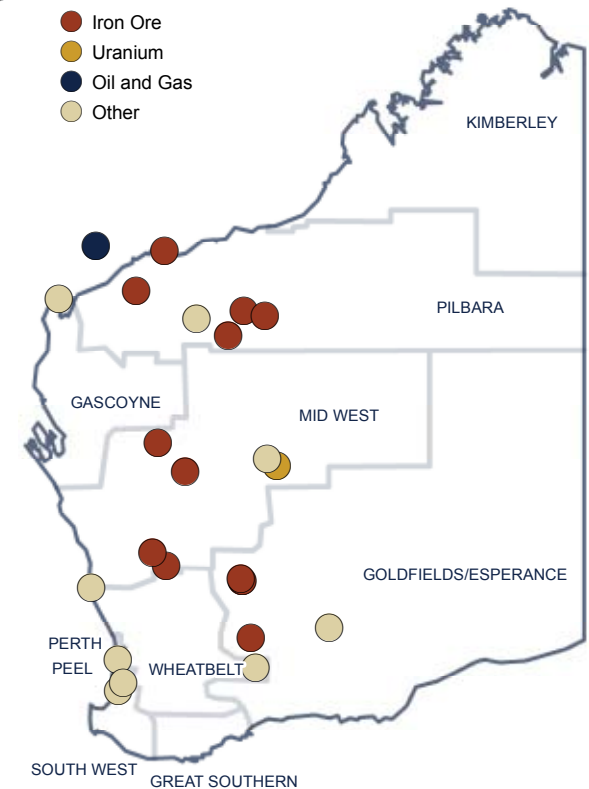


Figure 2: Location of mining and industrial proposals assessed during 2011 – 12

While the mining industry has done considerable planning to meet its business objectives, information to support improved local and regional conservation outcomes is still being prepared. A key part of that information will be finalised and published during 2012, following an analysis of data from the *2002–07 Pilbara Biodiversity Survey*.

Future concentration of mines in parts of the Pilbara, such as around the margins of the Fortescue Marsh, and the large scale of mining expansion in general raises the need to consider cumulative issues more consistently. Increasingly, these issues will have to be examined at landscape levels within which multiple mines and companies are currently and will continue to operate. This information is informing an OEPA project looking at a more strategic approach to the assessment of Pilbara iron ore mines, which allows a range of impacts beyond biodiversity values to be addressed, including complex water management matters.

The use of a more strategic approach is generally supported by iron ore miners. Such an approach is also consistent with the application of the Commonwealth EPBC Act.

In addition to iron ore mines, the EPA also assessed a variety of other mining and industrial proposals across the state, including: the Wiluna Uranium Project and Gold Mining Developments on Lake Lefroy in the Goldfields; the extension to the Kemerton Silica Sand Dredge Mining in the South West; and the Ammonium Nitrate Production Expansion Project in the Kwinana industrial area.

The key mining and industrial proposals assessed in 2011–12 are described below.

Iron ore

Cloudbreak Life of Mine Project

Fortescue Metals Group Ltd's Cloudbreak Life of Mine Project was assessed as a Public Environmental Review (PER).

The proposal involves the expansion of the existing Cloudbreak Iron Ore Mine along the northern boundary of the Fortescue Marsh, by increasing the number of pits and depth of mining, development of additional waste landforms, an increase in groundwater reinjection and abstraction bores, and an upgrading of the ore processing facility. An additional 8,133 ha of vegetation will be required to be cleared for the expansion resulting in a total of 13,100 ha for the entire Cloudbreak Life of Mine Project. The proposal will also have an increased rate of ore production of up to 50 million tonnes per annum (Mtpa).

Key environmental factors evaluated were flora and vegetation, conservation significant fauna, surface water flows, groundwater quantity and quality, rehabilitation and closure, and residual impacts.

The EPA concluded that the proposal could be implemented subject to a number of recommended conditions.

The EPA recognised that the protection of the Fortescue Marsh is important and recommended conditions including management of groundwater levels at and within the Fortescue Marsh, and management of groundwater and surface water quality.

Given the scale of clearing and the position of the project within the landscape, the EPA identified the need to progressively re-create landforms, re-establish surface water flows and revegetate. In order to achieve this, the EPA recommended conditions that provided for appropriate surface water management and the backfilling of pits,

establishment of landforms, and rehabilitation to occur progressively throughout the life of the mine.

Other conditions recommended by the EPA include limiting indirect impacts to conservation significant vegetation, weed management to ensure no increase in the abundance of weeds, and contributions to a strategic regional conservation initiative for residual impacts as a result of implementation of the proposal.

EPA Report 1429 was published on 8 February 2012.

Jack Hills Stage 2 Mine Development

Crosslands Resources Ltd managed the inputs for the PER assessment from its subsidiary companies Murchison Metal Ltd, Mitsubishi Development Corporation Pty Ltd and Oakajee Port and Rail Pty Ltd.

The proposal is to expand the original iron ore mine, which was approved in September 2006, as well as the waste rock and tailings facilities. The mine site is in banded iron formation rocks in the Mid West, about 400 km north-east of Geraldton.

The key environmental factors were vegetation and flora, short range endemic fauna (trapdoor spiders), aquatic fauna, surface water flow patterns, acid and metalliferous drainage, groundwater supply, significant heritage areas, rehabilitation and mine closure.

As a result of the biological surveys required for assessment of the proposal, there is now much more known about the distributions of *Triodia melvillei* Priority 1 ecological communities and several priority flora species in the region. As well, the known ranges of three trapdoor spider species have been extended significantly further north than previously recorded.

Large water requirements for the proposal have resulted in two separate borefields being studied. More test work is

proposed and is intended to accurately define their yields and ensure that groundwater-dependent ecosystems will be protected.

The EPA found that the proposal could be implemented subject to recommended conditions specifying:

- further documentation of vegetation and flora species and the minimisation of clearing to them
- weed control
- the protection of significant habitats (particularly in regard to *Idiosoma nigrum* spiders)
- strategies to minimise impacts to fauna in water pipeline trenches
- attention to water quality from the waste rock and tailings storage facilities and to surface water flow patterns
- monitoring of borefields with respect to potential impacts to groundwater-dependent ecosystems including stygofauna communities, and
- the protection of various indigenous heritage sites adjacent to the mine footprint.

EPA Report 1413 was published on 15 August 2011.

Yilgarn Operations

Cliffs Asia Pacific Iron Ore Pty Ltd (Cliffs) have existing operating iron ore mines across banded iron formation ranges at Koolyanobbing, Mt Jackson and the Windarling Range, about 400 km east of Perth. These are collectively known as Cliffs' Yilgarn Operations. Cliffs have sought to expand the Yilgarn Operations to include new deposits in the area. Cliffs have proposed to mine the Deception and Windarling Range W4 East deposits.

Key environmental factors relevant to the two proposals are the presence of conservation significant flora species,

specially protected fauna (principally Malleefowl), and rehabilitation and mine closure.

Biological surveys for the two projects identified the presence of the Declared Rare Flora *Ricinocarpos brevis*, a number of priority flora species and a new species. Windarling Range was also considered to be key Malleefowl habitat.

The EPA considered that the two proposals could be implemented provided that further flora surveys were carried out to identify additional populations of Priority 1 and new flora species and that research and translocation trials were put in place to offset the impacts to *Ricinocarpos brevis*.

Management plans consistent with Cliffs' existing operations were recommended to protect Malleefowl populations while the EPA concluded that rehabilitation and closure could be managed by the Department of Mines and Petroleum (DMP) in accordance with the DMP/EPA *Guidelines for Preparing Mine Closure Plans* (2011).

EPA Report 1426 was published on 9 January 2012.

The main ecological issues identified related to the protection of the plant species *Tecticornia* and the protection of underground stygofauna species. *Tecticornia* is a genus of succulent, salt tolerant plants.

Uranium

Wiluna Uranium Project

Toro Energy Limited proposes to develop the Centipede and Lake Way deposits located 30 km south and 15 km south-east of Wiluna respectively. The project would involve mining, processing and transport of uranium oxide concentrate from the proposed mine site to the Western Australian border over a 14 year mine life. Production of up to 1,200 tonnes per annum (tpa) of uranium oxide concentrate is expected.

The Wiluna uranium project is the first uranium mine to be assessed under section 38 of the EP Act.

During assessment of the proposal the EPA consulted extensively with the DMP and the Radiological Council and concluded that the existing regulatory framework provides a comprehensive legislative system for regulating uranium mining and transport.

The EPA determined that the proposal could meet its objectives for key environmental factors, including radiation management, transport, mine closure and rehabilitation, groundwater and water supply, surface water, air quality, flora and vegetation, fauna and habitat and Aboriginal heritage.

The main ecological issues identified related to the protection of the plant species *Tecticornia* and the protection of underground stygofauna species.

While stygofauna were unlikely to be impacted significantly, the EPA recommended strict conditions, including offsets, to ensure the protection of the *Tecticornia*. The offsets will contribute to the EPA's objective to maintain the abundance, diversity, geographic distribution and productivity of flora species through research to improve knowledge.

EPA Report 1437 was published on 21 May 2012.

Status of other uranium projects

The EPA is assessing three other uranium projects — the Yeelirrie Uranium Project, Mega Uranium Limited's Mega Uranium Project and Cameco Corporation's Kintyre Uranium Project. The EPA set the level of assessment for all these uranium proposals at the Environmental Review and Management Programme (ERMP) level.

Yeelirrie Uranium Project

The proposal is to develop a uranium mine operation 60 km west of Mt Keith and involves mining over 30 years to produce up to 3,500 tpa of uranium oxide concentrate.

The scoping document was approved by the EPA in May 2010. The EPA is currently awaiting the first draft of the ERMP document.

Lake Maitland Uranium Project

Mega Uranium Limited proposes to develop a uranium mine operation 105 km south-east of Wiluna. The proposal involves production of up to 1,000 tpa of uranium oxide concentrate over a 10 year period.

The proponent's scoping document was approved by the EPA in September 2010. The EPA expects the submission of the draft ERMP in November 2012.

Kintyre Uranium Project

Cameco Corporation (Australia) proposes to develop a uranium mine operation 1,200 km north-north-east of Perth in the Shire of East Pilbara. The proposal includes mining over a 15 year period to produce up to 3,600 tpa of uranium oxide concentrate.

The scoping document was approved by the EPA in August 2011. The EPA expects the submission of the draft ERMP in the first quarter of 2012—13.

Oil and gas

Browse

The EPA is formally assessing, as a strategic proposal, the Browse liquefied natural gas (LNG) processing precinct at James Price Point on the Dampier Peninsula 60 km north of Broome. This is a joint assessment with the Commonwealth. The proponent for the precinct is the Minister for State Development.

The Department of State Development (DSD) is managing the proposal on behalf of the State. Woodside Energy Limited has been appointed as a potential foundation proponent for the precinct.

Previous process

In 2008 the EPA issued advice under section 16(e) of the EP Act about a number of sites in the Kimberley for an LNG precinct.

At that time the EPA concluded that:

“The environmental impacts and risks of locating a precinct in the James Price Point area are likely to be manageable. The risk of future expansion being significantly constrained is likely to be low.”

On 22 December 2008 the Premier announced that James Price Point had been chosen as the site for a liquefied natural gas precinct in the Kimberley. It is therefore the James Price Point site that is the subject of the current formal assessment as a strategic proposal.

The EPA released *EPB 17 Strategic and derived proposals*, which describes the strategic proposal assessment process, in 2012.

Key factors

The key factors for the Browse proposal are marine fauna, marine environmental quality, benthic habitats, terrestrial biota, landscape processes, surface and ground water, Aboriginal and natural heritage, air emissions and greenhouse gases.

During the course of the EPA's assessment, additional issues have come to light. A highly credible public submission, provided in confidence to the EPA, highlighted the presence of important fossilised dinosaur footprints near James Price Point. The EPA responded by requiring the proponent to source independent international experts to examine the area and report on the significance of footprints they found there.

The experts recommended that the northern 900 m of the shore crossing to the precinct should not be developed. The proponent accepted this recommendation and modified the proposal. The EPA sees this as a very good example of the value of public submissions on the environmental impact assessment process resulting in important changes being made to the proposal.

Additional information on Greater Bilby activity in the precinct surroundings, and on previously undetected turtle nesting near James Price Point, were also supplied by community members and considered by the EPA. Again, these are good examples of community engagement with the environmental impact assessment process.

The EPA also appreciated the opportunity to meet a range of interest groups in Broome and Perth. These meetings allowed the EPA to further understand a range of perspectives about this environment of the James Price Point area.

The EPA's report and recommendations on the Browse LNG Precinct is due to be released in the first quarter of 2012—13.

Coal

Vasse Coal Project

The Vasse Coal Project (VCP) consisting of an underground coal mine, coal handling and preparation plant, associated mine infrastructure and transportation, was proposed by Vasse Coal Management Pty Ltd (VCM), and managed by LD Operations Pty Ltd. The proposal was to be located approximately 15 km east-north-east of Margaret River.

The VCP was referred to the EPA on 13 October 2010, and considered at a level of assessment of Assessment on Proponent Information (API) Category B (environmentally unacceptable).

In assessing the VCP the EPA concluded that:

- even though some of the significant impacts/risks may be considered as having a low probability of occurring, the environmental consequences of some low probability events are such (i.e. serious, widespread or irreversible) that when the proposal is taken as a whole, on balance, presents unacceptable risks to important values
- due to the nature of the environment where the proposal was to be located, even with additional investigations, it was unlikely to provide the EPA with an adequate level of confidence that impacts/risks could be managed as uncertainty would remain
- due to the nature of the proposed development, adaptive management methodologies are not practical, and
- the proposal could not be reasonably modified to meet the EPA's objectives.

It was therefore the judgement of the EPA that the proposal was environmentally unacceptable and the proposal should not be implemented.

The EPA released its report and recommendations to the Minister in May 2011 (Report 1395). Five appeals were received on the EPA Report.

The Minister for Environment dismissed the appeals and, after consultation with relevant decision making authorities, determined that the proposal may not be implemented on 7 February 2012.

Other

Ammonium Nitrate Production Expansion Project: Phase 2, Kwinana

CSBP Limited's proposal to expand its Kwinana Ammonium Nitrate Production Facility was assessed at the level of PER.

The proposed expansion includes the incorporation of additional components into the existing facility and re-engineering some existing components in order to increase ammonium nitrate production capacity from 520,000 tpa to 936,000 tpa.

The key environmental factors evaluated by the EPA were air quality, noise, liquid waste disposal, water supply, and greenhouse gas emissions.

The EPA concluded that the proposal could be implemented subject to recommended conditions relating to greenhouse gas abatement and decommissioning.

EPA Report 1407 was published on 18 July 2011.

Waste to Energy Proposals

Three proposals to turn waste into energy are being assessed by the EPA at the level of Public Environmental Review. These are:

- a proposal by the Eastern Metropolitan Region Council (EMRC) to produce energy from metropolitan solid waste (after the removal of recyclable materials) using a gasification process. This proposal also has an alternative option of producing energy and compost using an anaerobic digestion process (after the removal of recyclable materials) should this be found to be preferable. The project would be situated on the Red Hill landfill site.

- a proposal by New Energy Corporation to produce energy from metropolitan solid waste residuals (after the removal of recyclable material by other recyclers) commercial and industrial, and construction and demolition waste via a gasification process. This proposal is situated in East Rockingham.
- a proposal by New Energy Corporation to produce energy from metropolitan solid waste (after the removal of economically recyclable material), commercial and industrial, construction and demolition, green waste, and oily waste via a gasification process. This proposal is situated in Port Hedland.

Gasification is a thermal process in a limited oxygen environment which produces a combustible gas (syngas) from waste material. The gas is subsequently burnt to produce heat which is used to generate steam, which in turn generates electricity via a steam turbine.

The anaerobic digestion process is the breaking down of organic matter in the absence of oxygen to produce biogas which can be burnt in a gas engine to produce electricity. Liquid fertiliser and compost can also be produced as products.

The Red Hill gasification facility would be able to process approximately 200,000 tonnes of waste per annum. If anaerobic digestion is chosen for the Red Hill project 150,000 tonnes of waste per annum could be processed.

East Rockingham and Port Hedland gasification facilities would be able to process approximately 140,000 tonnes and between 86,000 to 205,000 tonnes of waste per annum producing 15 and 18 megawatts of electricity respectively.

The EPA will be considering the impacts to the environment from the proposals in its assessments, including impacts from air emissions (including odour), liquid waste, noise and solid waste products. The EPA has employed a consultant

to undertake a study of waste to energy technology. The consultant will provide information to the EPA on other legislative and regulatory frameworks, operating waste to energy plants and the health and environmental impacts of waste to energy plants.

Waste to energy projects have the advantage of diverting non-recyclable materials from landfill and recovering an energy resource from them. Much of the energy produced would be classified as 'renewable' and a reduction in greenhouse gases compared to landfilling is expected. There are a number of plants already using gasification technology operating around the world.

Read more about the EPA's study of waste to energy facilities in Part 3.

Planning and infrastructure

The *Planning and Development Act 2005* and the *Metropolitan Redevelopment Authority Act 2011* require local governments and the Metropolitan Redevelopment Authority to refer scheme amendments to the EPA. Consideration of scheme amendments has been an ongoing area of activity during 2011–12.

Increasingly, the EPA is engaging with local governments, State agencies and the development industry before the referral of scheme amendments, so that potential environmental constraints can be identified early in the planning process. This provides greater opportunity for significant environmental impacts to be avoided and minimised, and appropriate management to be put in place for any remaining environmental impacts.

The EPA also provides advice, where appropriate, on structure plans, development plans and sub-division proposals and from time to time will formally assess sub-division proposals if environmental issues were not dealt with earlier in the planning process.

The EPA considers a broad range of infrastructure proposals and over the last year the formal assessment of ports, marinas and major infrastructure has again been a major area of activity.

The Pilbara region has been an area of particular interest, with the EPA reporting on major projects for iron ore export such as the proposed BHP Billiton Outer Harbour and the Multi-user Iron Ore Export (Landside) Facility, both at Port Hedland.

The EPA also progressed assessment of the Roe Highway Extension and the Mangles Bay Tourist Precinct, the 2004–13 Forest Management Plan Final Audit, and a number of other proposals on which the EPA expects to report in 2012–13.

Planning

Assessment of marina proposals

During 2011–12 the EPA was involved in the assessment of two marina proposals — the Point Grey Marina in the Peel-Harvey estuary and the Mangles Bay Tourist Precinct in Mangles Bay at the southern end of Cockburn Sound.

A key issue associated with the environmental impact assessment of marinas is the management of construction related effects from dredging and reclamation on the environmental factors of water and sediment quality, and aquatic flora and fauna. Another is the ongoing impacts on and management of water and sediment quality once the marina is operational and defining the ongoing responsibility for its management.

The EPA will continue to assess the environmental impacts of marinas on water and sediment quality in adjacent natural waterways in the context of the EPA's *Environmental Quality Management Framework* and the *State Water Quality Management Strategy Report No.6*.

More recently, the Western Australian Planning Commission published the *Development Control Policy – DC 1.8 Canal Estates and Artificial Waterway Developments*. The EPA will have regard for the principles and requirements of this policy when recommending to the Minister for Environment the ongoing monitoring and management of water quality in marinas and canal estates.

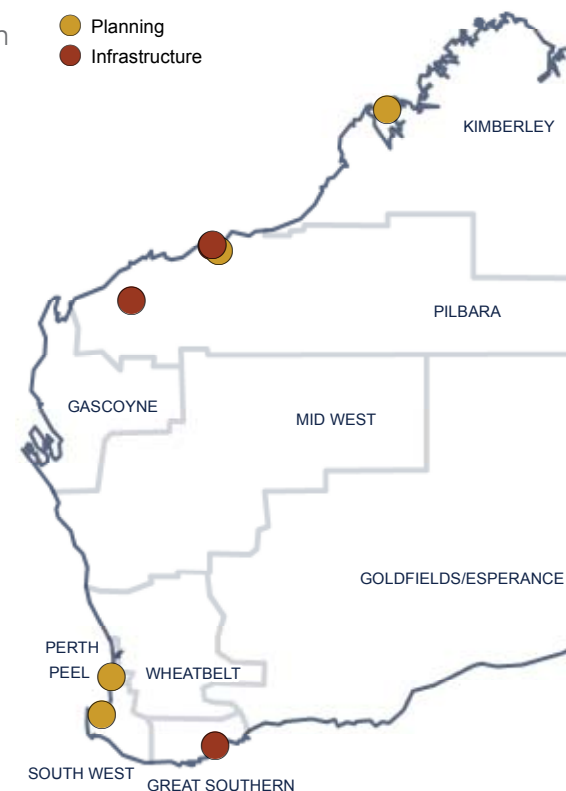


Figure 3: Location of planning and infrastructure proposals assessed during 2011–12

Point Grey Marina

The proposal to construct and operate a land-based marina on the western side of the Point Grey peninsula and a 2.5 km channel across the Harvey Estuary was assessed by the EPA as a PER.

The marina plans to accommodate up to 300 boat pens through the installation of finger jetties and floating pontoons. About 5.1 ha of foreshore will accommodate 200 parking bays and four boat ramps. Groyne will be constructed on either side of the entry channel to protect the estuary from erosion and sedimentation, as well as to provide a safe passage for boats entering and departing the marina.

The EPA concluded that the proposal could be implemented subject to recommended conditions. The recommended conditions included measures to protect foreshore vegetation, terrestrial flora and fauna, estuary water and sediment quality and limited the timing of dredging of the navigation channel to the winter and spring months to avoid breeding times of key species. Environmental offsets would also be necessary to mitigate the impacts to terrestrial vegetation and fauna.

The EPA did not recommend any conditions for monitoring or management of water quality within the marina itself in view of the procedures and requirements of the Western Australian Planning Commission *Development Control Policy – DC1.8 Canal Estates and Artificial Waterway Developments*.

A significant issue associated with approval of this development is ensuring that adequate funds are available for maintenance dredging of the navigation channel to avoid excessive build up of monosulphidic black ooze and possible nutrient releases to the estuary.

During the assessment the proponent estimated that dredging would be required every five to 10 years. As part

of any planning approval by the Shire of Murray, a fund will be set up to provide for this future maintenance dredging of the channel.

The EPA noted in its assessment report that there are uncertainties regarding estimates of the siltation rate in the channel and the potential for release of nutrient. It therefore recommended conditions to require monitoring of sediments and water quality in the development area, and the implementation of contingency actions if excessive releases of nutrients are detected. This could require an increased frequency of maintenance dredging compared to that predicted by the development proponent.

EPA Report 1420 Point Grey Marina was published on 5 December 2011.

Mangles Bay Marina Based Tourist Precinct

The proposal by Cedar Wood Properties Limited proposal, a joint venture with Landcorp, is to develop a tourist based marina development located in Mangles Bay at the southern end of Cockburn Sound. The proposal comprises a single entrance marina to accommodate up to 500 pens and moorings and a surrounding land development comprising tourism, commercial, public open space and residential land uses. It is being assessed as a PER.

Key environmental factors likely to be evaluated in the report are marine environmental quality, benthic habitat, coastal processes, terrestrial water quality (including Lake Richmond, surface and groundwater), terrestrial flora and vegetation, terrestrial fauna and conservation estate and Bush Forever sites.

The PER document was released for public review from February to April 2012 and 262 submissions were received. The EPA has prepared a summary of submission issues and was waiting on a response from the proponent as at the end of 2011 – 12.

The EPA will use the PER, submissions and the response from the proponent to prepare its report and recommendations to the Minister. The EPA expects to release its report in 2012—13.

Infrastructure

Roe Highway Extension

The proposal by Main Roads Western Australia to extend Roe Highway from its current terminus at Kwinana Freeway to Stock Road, including modifications to intersecting roads and an extension of Murdoch Drive, is being assessed by the EPA as a PER.

The proposed extension covers a distance of approximately five kilometres and would involve the clearing of native vegetation, and potentially result in environmental impacts to flora, fauna, a Bush Forever site and the Beelihar Wetlands.

Generally the proposal is orientated east-west largely within a road reserve that was set aside in the Metropolitan Region Scheme in 1963. It aligns between North and Bibra lakes, which are part of the eastern chain of the Beelihar Wetlands.

The public review period for the PER document closed in September 2011. A considerable number of submissions were received from government and non government agencies, and from members of the public.

The EPA expects to conclude its assessment and report on the proposal in 2012—13.

The EPA considers a broad range of infrastructure proposals and over the last year the formal assessment of ports, marinas and major infrastructure has again been a major area of activity.

Expansion and development of Pilbara Ports

Overview

During 2011 – 12, the EPA progressed assessment of the proposed expansion or development of three iron-ore ports in the Pilbara Region. The first of these, Anketell Point Port, located 30 km north-east of Karratha, would see the development of a 'greenfield' site that would have both significant terrestrial and marine infrastructure components associated with the construction of the facility.

The second of the proposals, the Outer Harbour Development at Port Hedland, is a stand-alone port that would operate in conjunction with the existing Inner Harbour, which is understood to be close to the maximum allocated capacity. As with Anketell Port, this proposal includes significant terrestrial and marine based infrastructure as part of its implementation.

Finally, the Multi-user Iron Ore Facility proposal, located within Port Hedland's Inner Harbour, is the smallest of the three in terms of capacity, however was assessed against similar environmental impacts of marine habitat and environmental quality, emissions (dust and noise) and terrestrial fauna, flora and vegetation.

In conducting its assessment of all three proposals, the EPA was able to rely on a strong policy framework within which the key environmental factors were identified and assessed. The EPA also received positive feedback from the proponents involved that EPA policy provided clear guidance during all stages of the assessment of the port proposals.

This was evident for all three proposals in the proponent application of the EPA's EAG 3 *Protection of Benthic Primary Producer Habitats in Western Australia's Marine Environment* (2009) to formulate the environmental review documentation in accordance with a set of defined overarching environmental protection principles. The EPA

has then been able to assess the likely environmental impact by the application of a risk-based framework to evaluate the cumulative irreversible loss of, or serious damage to, benthic primary producer habitats.

Similarly, all three proposals require marine dredging to be conducted and the predicted impacts will be presented and assessed in the context of the EPA's EAG 7 *Marine Dredging Proposals* (September 2011).

Port Hedland Outer Harbour Development

The EPA assessed BHP Billiton Iron Ore's (BHPBIO) proposal to construct and operate the Outer Harbour Development in Port Hedland as a PER.

The proposal is recognised as a project of state significance and, if implemented, will enable BHPBIO to increase its export of iron ore from 240 Mtpa to 480 Mtpa.

The proposal involves the construction of a new wharf offshore from Finucane Island, a four kilometre jetty, and dredged shipping channel and basin. The proposal also includes the construction and operation of new rail loops, ore stockpile facilities, lay-down area, road and associated supporting infrastructure.

In its assessment of the proposal, the EPA determined that the key environmental factors requiring detailed evaluation in the report were marine habitat (mangroves and subtidal marine benthic communities), marine fauna, marine environmental quality, terrestrial biodiversity, and dust and noise emissions.

With regard to the assessment of the environmental factors of noise and dust emissions that would be likely to result from the proposal, the EPA, through its close working relationship with the Department of Environment and Conservation, determined that the most appropriate way to regulate dust emissions is under Part V of the EP Act.

As such, the EPA did not recommend an environmental condition for noise or dust, but made specific reference to the proponent requirement to ensure that noise and dust emissions from all sources during construction and operation of the proposal are managed in accordance with the *Port Hedland Air Quality and Noise Management Plan* (March 2010) or its approved updates.

Despite a proposal design by BHPBIO that sought to minimise and avoid significant environmental impact wherever practicable, it was determined by the EPA that there was likely to be an unavoidable residual impact to mangrove habitat, sub-tidal BPPH and other benthic communities, marine fauna and environmental quality. In response to this, the EPA, through consultation with BHPBIO and other government agencies, recommended a series of management measures to offset the level of residual impact. The cost of these measures is estimated at \$10 million.

The EPA concluded that the proposal was likely to be environmentally acceptable and could be managed to meet the EPA's objectives in relation to the key environmental factors, provided that the proponent implements the recommended conditions.

EPA Report 1427 was published on 23 January 2012.

The Minister for Environment reached agreement with other decision making Ministers that the proposal could be implemented subject to the conditions set out in Ministerial Statement 890 which was published on 28 February 2012.

Multi-user Iron Ore Export Facility – Port Hedland

The proposal by North West Infrastructure (Atlas Iron Limited, Brockman Resources Limited and FerrAus Limited) (NWI) to construct and operate port infrastructure within the existing or proposed Port Hedland Port Authority (PHPA) land and the Boodarie Multi-user Stockyard Area was assessed on proponent information (API).

The proposal is that iron ore would be transferred from rail transport at Boodarie to stockpiles via a conveyor before being reclaimed and delivered, via an elevated overland conveyor, to shipping berths in South West Creek for export.

The dredging required for the berth and wharf of this proposal was assessed separately (*EPA Report 1380 South West Creek Dredging and Reclamation Project*, January 2011) and was granted approval under Ministerial Statement 859 during 2011 – 12.

The current proposal would provide additional port facilities at Port Hedland to receive and stockpile the ore from NWI shareholder's mines and load this product onto ships for export. Each of the shareholders is exploring and developing new iron ore projects in the Pilbara, with one company actively mining ore and exporting through the existing facilities in the port of Port Hedland.

The port of Port Hedland is the largest tonnage port in Australia, largest bulk mineral export port in the world and the largest iron ore port in the world (*PHPA Annual Report 2011*).

The EPA noted that the proponent's proposal would result in the loss of up to 4.5 ha of mangroves within the development envelope of the proposal and concluded that this loss is not a significant contribution to the cumulative loss figure within the Port Hedland Industrial Area Local Assessment Unit.

During its assessment, the EPA noted that the proposal would marginally increase ambient dust levels and the number of exceedances in Port Hedland, but that it would be a minor contributor to the overall dust load in Port Hedland. Further, the EPA concluded that the most appropriate way to reduce dust levels in Port Hedland is through continuous improvement involving a coordinated port-wide approach for all port users, and dust management measures throughout the port are expected to be reflected in licence conditions applied under Part V of the EP Act.

The EPA concluded that that the proposal could be managed to meet the EPA's environmental objectives provided there is satisfactory implementation of the proposal as assessed, and implementation of the recommended conditions.

EPA Report 1419 was published on 28 November 2011.

Ministerial Statement No. 891 was released in April 2012.

Anketell Point Port

The EPA is also finalising its assessment of the proposed port at Anketell Point 30 km north-east of Karratha and 6 km north-west of Wickham. API Management Pty Limited is proposing to establish and operate a multi-user deepwater port with iron ore stockpiling, transfer and ship loading facilities. The proposal allows for facilities required by API and future third parties to be developed with a nominal ultimate capacity expected to be 350 Mtpa.

The proposal being assessed is consistent with the draft Anketell Port and Strategic Industrial Area Port Master Plan (Port Master Plan) prepared by the Dampier Port Authority and the Department of State Development. API has amended its original port design to accommodate the requirements of the Port Master Plan. In particular, the Port Master Plan design comprises a single causeway stepping directly off the mainland which now avoids Dixon Island, an area important for indigenous heritage and fauna values. The amended proposal also reduces impacts on Bouguer Passage.

Development of the port infrastructure to its full capacity will be staged and likely to occur over at least a twenty year period. API's initial requirements for the port are to export up to 45 Mtpa and the initial capacity of the port is expected to be 115 Mtpa.

The main components of the proposal will be 22 km of railway to complete the rail corridor from the West Pilbara Iron Ore Project Stage 1 mines to the port, a 3 km long rock causeway, a 1.1 km piled trestle jetty supporting four berths, and a 15.2 km shipping channel. The proposal would have a total marine disturbance footprint of 2,710 ha and a terrestrial footprint of 1,275 ha.

The key environmental factors being evaluated are marine habitats and environmental quality, marine fauna, terrestrial fauna and flora and vegetation.

The EPA's Report and recommendations on the Anketell Point Port Development are expected to be released in early 2012—13.

Other

Forest Management Plan 2004-2013 – End-of-Term Audit of Performance report

A mid-term audit of the Conservation Commission's *Forest Management Plan 2004–13* (FMP) was submitted to the EPA in 2008 and the EPA released its public report on the mid-term audit in 2010.

In April 2012 the Conservation Commission submitted its end-of-term audit of performance for the current FMP. In accordance with the environmental conditions on the Forest Management Plan, the EPA provided a public report on the end-of-term audit to the Minister for Environment in June 2012.

The EPA found that the *Forest Management Plan 2004–13: End-of-term audit of performance report* did not identify any new matters that were not already evident at the time of the mid-term audit. However, both the mid-term and end-of-term audits of performance described areas in which targets for key performance indicators were not met.

The audits also provided a useful function in identifying areas where the FMP could be improved and which will need to be addressed in the next (2014–23) Forest Management Plan currently being prepared by the Conservation Commission and assessed by the EPA.

EPA Report 1443 was published on 22 June 2012.

Post approval assessment

The OEPA is responsible for assessing changes to proposals and implementation conditions under s45C and s46 of the EP Act respectively, following the publication of an implementation statement. The OEPA also assesses the acceptability of Environmental Management Plans (EMPs) as required by conditions of implementation statements.

In August 2011 an *Environmental Assessment Guideline for Changes to Proposals after Assessment* (EAG2) was published to provide guidance to proponents on the information required for assessment of a change to a proposal under s45C.

The OEPA has continued to review its post approval processes to ensure timely assessments leading to approvals for changes to proposals or implementation conditions.

Table 2: Post approval work assessed from 1 July 2011 – 30 June 2012

	Requests received	Completed
Section 45C	49	45
Section 46	12	15
Section 46C	1	1
EMP	99	80

Policy development and strategic planning

In addition to assisting the EPA with policy and strategy development as identified in Part 3 of this report, the OEPA contributed to the following government policy and strategy development.

Greenhouse Gas Conditions

To coincide with the introduction of the Commonwealth Government's carbon pricing mechanism on 1 July 2012, the OEPA has been working closely with a number of Government agencies to develop a process for assessing the complementarity of greenhouse gas conditions set on proposals through Ministerial Approval Statements.

Marine Technical Report 4: Petroleum hydrocarbon content of shoreline sediment and intertidal biota at selected sites in the Kimberley bioregion, Western Australia

The Montara wellhead platform incident began on 21 August 2009 and resulted in petroleum hydrocarbons spilling into the Timor Sea continuously for approximately 10 weeks. The incident occurred approximately 175 km from Western Australian waters, but due to the nature of the spill it was considered that it presented a sufficient level of risk to the Kimberly marine environment that baseline and follow-up surveys of petroleum hydrocarbons at locations across the Kimberley region were needed as part of the State's response.

The OEPA published the findings of the 2009 baseline survey in Marine Technical Report 3 in July 2010, the same month that the follow-up survey was conducted.

In June 2012, the findings of this second survey were published in Marine Technical Report 4. Pleasingly, the results of the follow-up survey closely reflected those from the baseline work. No detectable concentrations of petroleum hydrocarbons were found in any of the shoreline sediment or oyster tissue samples collected during the follow-up survey.

Marine Technical Report 4 is available for download from the EPA's web site.

Background water quality in the Kimberley region

The OEPA's Marine Ecosystems Branch collected and analysed marine water samples from selected sites across the Kimberley region during field surveys associated with the Browse LNG precinct short-listing process.

The water quality data generated from the surveys allowed the OEPA to establish natural background levels of nutrients and heavy metals in Kimberley marine waters, including waters off the Dampier Peninsula and James Price Point, and confirm that the *Australian and New Zealand Guidelines for Fresh and Marine Water Quality* (2000) are relevant for application in these waters. The data also provide a baseline that can be used to predict and manage the potential impacts associated with developments that propose to discharge waste to the marine environment.

Nutrient related water quality data from waters off the Dampier Peninsula are presented in Marine Technical Report 5 published in March 2012.

Background concentrations of selected metals and total suspended solids in marine waters of the Kimberley Region are presented in Marine Technical Report 6 published in June 2012.

Dredging Science Node – Western Australian Marine Science Institution

A Dredging Science Node (the Node) has been established under the umbrella of the Western Australian Marine Science Institution (WAMSI) to conduct scientific research aimed at enhancing the capacity of Government and the private sector to predict and manage environmental impacts associated with dredging activities.

The Node's principal source of funding is from industry proponents who are required, as a condition of project approval, to implement dredging-related environmental research as a measure to address residual impacts or impact uncertainty identified during EIA.

With a governance arrangement that incorporates oversight by the industry contributors, regulatory agencies and researchers, participation of world-class scientists and clear pathways to adoption of research outputs, the Node represents a new way of doing and delivering science that is targeted towards a need shared by industry and regulators alike.

This year has been a busy one for the Node. A key highlight is the approval in late 2011 of the Node Science Plan by the Dredging Science Advisory Committee and the WAMSI Board. The Science Plan sets out nine research themes covering areas including physical modelling, biological responses of key biota to sediment, and effects of dredging on reproduction in corals and other benthic organisms.

In addition, the Node Leadership Team, comprising the Node Leader Science (from the Australian Institute of Marine Science), Node Leader Policy and the Science Coordinator (both OEPA officers) have facilitated workshops and worked closely with WAMSI partner research organisations to activate formal science planning.

Science Concept Plans for the nine research streams have been developed and it is expected that these will progress to detailed project plans and project implementation following appropriate review and approval later in 2012–13.

Introduced Marine Pests

In 2011–12, the OEPA worked in collaboration with the Department of Fisheries (DoF) to develop a standardised Ministerial Condition to be applied to significant marine proposals that have the potential to introduce marine pests to Western Australia.

The intent of the condition is to reduce the risk of the introduction and spread of introduced marine pests (IMPs) associated with biofouling of vessels, while avoiding duplication with new DoF procedures and legislative amendments.

This collaborative work is part of a longer term transition towards DoF, which is the lead agency for aquatic biosecurity in WA, having the legislative and regulatory power to manage IMPs without the additional requirement for a Ministerial Condition under the EP Act.

Reform initiatives

Aboriginal heritage

Both the EP Act and the *Aboriginal Heritage Act 1972* (AH Act) have the legal capacity to consider aspects of protecting Aboriginal heritage.

The focus of the AH Act is the protection of sites with social and heritage significance. A primary focus of the EP Act is to consider proposals which have the potential to have a significant impact on the environment, for which some sites may have Aboriginal heritage significance.

As part of the Reform of the Aboriginal Heritage Act process during 2011 – 12, the OEPA continued to work with the Department of Indigenous Affairs to investigate options to remove potential duplication in the approvals process relating to Aboriginal sites.

OEPA Key Performance Indicators

In January 2012, the OEPA began a process to develop new, more meaningful key performance indicators.

Dr Gordon Robertson PSM, a former Deputy Auditor General, prepared a report for the OEPA that reviewed current agency performance measures in relation to their effectiveness and efficiency, and to desired EPA and OEPA outcomes.

The OEPA will begin the progressive implementation of the new performance measures during 2012 – 13.

Environmental Compliance Audits

Audit the compliance with conditions set under Ministerial approval statements and undertake enforcement action as appropriate.

	2010–2011 actual \$	2011–2012 target \$	2011–2012 actual \$	Variance of target to actual \$
Total cost of service	1,495,338	1,396,000	1,759,938	363,938
Efficiency indicator				
Average cost per environmental audit completed	32,020	23,264	27,594	4,330

Fifty-five audits were conducted during the reporting period. Industry sector reviews included desalination plants and quarrying operations.

Overview

The OEPA has responsibilities for monitoring compliance with implementation statements and their conditions in the form of environmental management plan approvals, changes to proposals, review of implementation conditions and compliance auditing.

The department's Compliance Branch is continuing to improve its systems and procedures in compliance monitoring of implementation statements.

A compliance program is developed annually to plan audits of implementation statements. The program is made up of proactive audits and industry reviews, while allowing for reactive audits as required, using finite resources to manage and achieve the best environmental outcome.

Resources are used strategically and can be reallocated when dealing with significant or emergent issues. Results from compliance audits feedback to the compliance program and to the environmental impact assessment process.

Compliance and audit activity

Fifty-five audits were conducted during the reporting period. Industry sector reviews were undertaken as part of the program which included three desalination plants located in Perth, Binningup and Burrup Peninsula, and six quarrying proposals located in the south, metropolitan and northern regions of the state. The results of the industry sector review will be analysed and reported on during 2012–13.

Compliance officers conducted a range of audits in the South West and Pilbara regions during the reporting period. Audits of a mine, port, land development, ammonia plant and a liquid natural gas facility were undertaken.

An audit of the Gorgon Gas Development on Barrow Island focused on compliance with the approved Terrestrial and Subterranean Environmental Monitoring Program and the Coastal Stability Management and Monitoring Plan.

Monitoring the implementation of the Wheatstone Gas Development near Onslow has begun. A number of management plans are required to be approved before construction activities commence. Appropriate resources have been applied to this proposal to ensure timely approval of the plans to enable implementation of this \$29 billion project.

A number of audits of proposals identified non compliances ranging from late submission of management plans or compliance reports, to exceedances of trigger levels or limits. On each occasion the proponent was sent a letter of non compliance and actions to be taken to rectify the issue.

The Minister for Environment is informed of non compliances which enable a range of actions to be used as required.

During 2011 the Auditor General undertook a review of various agencies' approaches to monitoring compliance with conditions on mining. The Auditor General's report Ensuring Compliance with Conditions on Mining September 2011 supported the EPA's approach to increase the proponent's accountability and responsibility with respect to compliance, such as requiring managing directors to formally approve reports submitted.

The OEPA has responsibility for auditing compliance with approximately 550 active Ministerial statements. Each year, many of these statements are subject to amendments, which are also managed by the department.

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Disclosures and legal compliance

Independent Auditor's Report

To the Parliament of Western Australia

OFFICE OF THE ENVIRONMENTAL PROTECTION AUTHORITY

Report on the Financial Statements



I have audited the accounts and financial statements of the Office of the Environmental Protection Authority.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

General Manager's Responsibility for the Financial Statements

The General Manager is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the General Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical

requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the General Manager, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Office of the Environmental Protection Authority at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Office of the Environmental Protection Authority during the year ended 30 June 2012.

Controls exercised by the Office of the Environmental Protection Authority are those policies and procedures established by the General Manager to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

General Manager's Responsibility for Controls

The General Manager is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the controls exercised by the Office of the Environmental Protection Authority based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Office complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Office of the Environmental Protection Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Office of the Environmental Protection Authority for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

General Manager's Responsibility for the Key Performance Indicators

The General Manager is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the General Manager determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The

procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the General Manager's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Office of the Environmental Protection Authority are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2012.

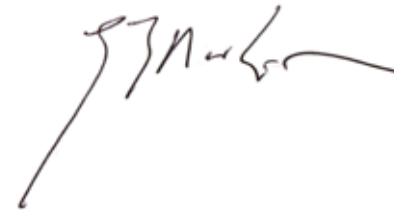
Independence

In conducting this audit, I have complied with the independence requirements of the *Auditor General Act 2006* and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Environmental Protection Authority for the year ended 30 June 2012 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers

only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE

DEPUTY AUDITOR GENERAL

Delegate of the Auditor General for Western Australia

Perth, Western Australia

21 September 2012

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2012

The accompanying financial statements of the Office of the Environmental Protection Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Steve Beilby
Chief Finance Officer
17 September 2012



Kim Taylor
Accountable Authority
17 September 2012

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	5	10,105,526	9,887,084
Supplies and services	6	3,611,054	3,127,662
Depreciation expense	7	76,921	54,366
Other expenses	8	198,063	195,457
Total cost of services		13,991,564	13,264,569
Income			
Revenue			
Other revenue	9	127,967	157,405
Total revenue		127,967	157,405
Total income other than income from State Government		127,967	157,405
NET COST OF SERVICES		13,863,597	13,107,164
Income from State Government	10		
Service appropriation		13,689,000	12,402,000
Resources received free of charge		570,684	541,618
Grant from other Government agency		390,000	390,000
Total income from State Government		14,649,684	13,333,618
SURPLUS FOR THE PERIOD		786,087	226,454
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		786,087	226,484

See also the 'Schedule of Income and Expenses by Service'

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	21	1,443,577	1,024,712
Restricted cash and cash equivalents	11	1,648,060	1,146,325
Receivables	12	124,898	528,101
Other current assets	14	21,853	-
Total Current Assets		3,238,388	2,699,138
Non-current Assets			
Restricted cash and cash equivalents	11	243,503	195,229
Amounts receivable for services	13	677,000	611,000
Plant and equipment	15	278,705	290,254
Intangible assets	16	17,100	-
Total Non-current Assets		1,216,308	1,096,483
TOTAL ASSETS		4,454,696	3,795,621
LIABILITIES			
Current Liabilities			
Payables	18	333,101	517,731
Provisions	19	1,509,437	1,608,927
Total Current Liabilities		1,842,538	2,126,658

See also the 'Schedule of Assets and Liabilities by Service'

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2012

	Note	2012 \$	2011 \$
Non-current Liabilities			
Provisions	19	1,056,783	1,003,675
Total Non-current Liabilities		1,056,783	1,003,675
TOTAL LIABILITIES			
		2,899,321	3,130,333
NET ASSETS			
		1,555,375	665,288
EQUITY			
	20		
Contributed equity		375,675	271,675
Accumulated surplus		1,179,700	393,613
TOTAL EQUITY		1,555,375	665,288

See also the 'Schedule of Assets and Liabilities by Service'
The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2012

	Note	Contributed Equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2010		226,675	167,159	393,834
Total comprehensive income for the period		-	226,454	226,454
Transactions with owners in their capacity as owners:				
Capital appropriations		45,000	-	45,000
Total		45,000	-	45,000
Balance at 30 June 2011		271,675	393,613	665,288
Balance at 1 July 2011	20	271,675	393,613	665,288
Total comprehensive income for the year		-	786,087	786,087
Transactions with owners in their capacity as owners:				
Capital appropriations		104,000	-	104,000
Total		104,000	-	104,000
Balance at 30 June 2012		375,675	1,179,700	1,555,375

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		13,623,000	12,336,000
Capital contributions		104,000	45,000
Net cash provided by State Government		13,727,000	12,381,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(10,166,472)	(9,577,666)
Supplies and services		(3,231,909)	(2,445,022)
GST payments on purchases		(332,297)	(263,272)
GST payments to the taxation authority		(11,892)	(33,373)
Other payments		(198,443)	(170,249)
Receipts			
GST receipts on sales		102,352	14,040
GST receipts from the taxation authority		265,529	235,751
Other receipts		897,479	210,805
Net cash used in operating activities	21	(12,675,653)	(12,028,986)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Payments for construction of non-current assets		-	(211,276)
Purchase of non-current physical assets		(82,473)	(5,886)
Net cash used in investing activities		(82,473)	(217,162)
Net increase in cash and cash equivalents		968,874	134,852
Cash and cash equivalents at the beginning of period		2,366,266	2,231,414
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21	3,335,140	2,366,266

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Schedule of Income and Expenses by Service

For the year ended 30 June 2012

	Environmental Impact Assessment and Policies		Environmental Compliance Audits		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
COST OF SERVICES						
Expenses						
Employee benefits expense	8,805,329	8,795,953	1,300,197	1,091,131	10,105,526	9,887,084
Supplies and services	3,208,593	2,769,094	427,861	381,668	3,636,454	3,150,762
Depreciation expense	67,637	54,298	9,284	68	76,921	54,366
Other expenses	150,069	149,886	22,594	22,471	172,663	172,357
Total cost of services	12,231,628	11,769,231	1,759,936	1,495,338	13,991,564	13,264,569
Income						
Other revenue	58,490	97,780	69,477	59,625	127,967	157,405
Total income other than income from State Government	58,490	97,780	69,477	59,625	127,967	157,405
NET COST OF SERVICES	12,173,138	11,671,451	1,690,459	1,435,713	13,863,597	13,107,164
Income from State Government						
Service appropriation	11,901,177	11,183,709	1,787,823	1,218,291	13,689,000	12,402,000
Resources received free of charge	499,349	473,916	71,335	67,702	570,684	541,618
Grant from other Government agency	390,000	390,000	-	-	390,000	390,000
Total income from State Government	12,790,526	12,047,625	1,859,158	1,285,993	14,649,684	13,333,618
SURPLUS/(DEFICIT) FOR THE PERIOD	617,388	376,174	168,699	(149,720)	786,087	226,454

Schedule of Assets and Liabilities by Service

As at 30 June 2012

	Environmental Impact Assessment and Policies		Environmental Compliance Audits		Total	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
Assets						
Current assets	2,944,638	2,587,765	293,750	111,374	3,238,388	2,699,139
Non-current assets	1,059,815	995,771	156,493	100,711	1,216,308	1,096,482
Total Assets	4,004,453	3,583,536	450,243	212,085	4,454,696	3,795,621
Liabilities						
Current liabilities	1,612,279	1,871,139	230,259	255,519	1,842,538	2,126,658
Non-current liabilities	924,685	878,215	132,098	125,460	1,056,783	1,003,675
Total Liabilities	2,536,964	2,749,354	362,357	380,979	2,899,321	3,130,333
NET ASSETS/(NET LIABILITIES)	1,467,489	834,182	87,886	(168,894)	1,555,375	665,288

The Schedule of Assets and Liabilities should be read in conjunction with the accompanying notes.

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2012

	2012 Estimate \$	2012 Actual \$	Variance \$	2012 Actual \$	2011 Actual \$	Variance \$
Delivery of Services						
Item 108 Net amount appropriated to deliver services	14,119,000	13,689,000	(430,000)	13,689,000	12,354,000	1,335,000
Section 25 transfer of service appropriation	-	-	-	-	-	-
Amount Authorised by Other Statutes - <i>Salaries and Allowances Act 1975</i>	-	-	-	-	48,000	(48,000)
Total appropriations provided to deliver services	14,119,000	13,689,000	(430,000)	13,689,000	12,402,000	1,287,000
Capital						
Item 162 Capital appropriations	104,000	104,000	-	104,000	45,000	59,000
GRAND TOTAL	14,223,000	13,793,000	(430,000)	13,793,000	12,447,000	1,346,000
Details of Expenses by Service						
Environmental Impact Assessment and Policies	15,113,000	12,231,628	(2,881,372)	12,231,628	11,769,231	462,397
Environmental Compliance Audits	1,396,000	1,759,936	363,936	1,759,936	1,495,338	264,598
Total Cost of Services	16,509,000	13,991,564	(2,517,436)	13,991,564	13,264,569	726,995
Less Total Income	(1,240,000)	(127,967)	1,112,033	(127,967)	(157,405)	29,438
Net Cost of Services	15,269,000	13,863,597	(1,405,403)	13,863,597	13,107,164	756,433
Adjustments	(1,150,000)	(174,597)	975,403	(174,597)	(705,164)	530,567
Total appropriations provided to deliver services	14,119,000	13,689,000	(430,000)	13,689,000	12,402,000	1,287,000
Capital Expenditure						
Purchase of non-current physical assets	104,000	65,372	(38,628)	65,372	217,162	(151,790)
Adjustments for other funding sources	-	38,628	38,628	38,628	(172,162)	210,790
Capital appropriations	104,000	104,000	-	104,000	45,000	59,000

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 26 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2012 and 2011.

Notes to the Financial Statements

For the year ended 30 June 2012

1 AUSTRALIAN ACCOUNTING STANDARDS

General

The Department's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

There are no judgements made in the process of applying the Department's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Note 3 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Department and entities listed at note 30 'Related and affiliated bodies'.

Mission

The Department's mission is to support the work of the EPA by providing rigorous environmental impact assessment advice and policies, and to undertake effective compliance audits.

The Department is predominantly funded by Parliamentary appropriations. It does not provide services on a fee-for-service basis. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

Services

The Department provides the following services:

Service 1: Environmental Impact Assessment and Policies

Manage the environmental impact assessment process and coordinate the development of policy for the Environmental Protection Authority to enable sound environmental advice to be provided to the Government, developers and the public in accordance with statutory functions.

Service 2: Environmental Compliance Audits

Audit the compliance with conditions set under Ministerial approvals and undertake enforcement action as appropriate.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions have been designated as contributions by

owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivables for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control

Notes to the Financial Statements

of the funds at the time the funds are deposited into the Department's bank account.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and equipment

Capitalisation/Expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, historical cost is used for the measurement all plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition of an item of plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Other plant and equipment	5 to 20 years
Information technology assets	3 to 4 years
Marine equipment	3 to 10 years

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful life for the current class of intangible assets is:

Software ^(a) 3 to 5 years

(a) Software that is not integral to the operation of any related hardware

Computer software

Software that is an integral part of the related hardware is recognised as plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(h) Impairment of assets

Plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption

or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

(i) Leases

The Department holds an operating lease for vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

In addition to cash, the Department has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

Notes to the Financial Statements

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(l) Accrued salaries

Accrued salaries (see note 18 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (refer to note 11 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(m) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for

uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(o) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Annual leave that is not expected to be settled more than 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an

unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible Employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the

Notes to the Financial Statements

West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Department makes concurrent contributions to GESB and other funds on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS or other superannuation fund. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income, at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

4 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Department.

AASB 1054 *Australian Additional Disclosures*

This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2009-12 *Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]*

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]*

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying

amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.

AASB 2010-5 *Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]*

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]*

This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]*

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

Notes to the Financial Statements

AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Department has not applied early any following Australian Accounting Standards that have been issued and that may impact the Department. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 11	<p>Joint Arrangements</p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p>Disclosure of Interests in Other Entities</p> <p>This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p>Fair Value Measurement</p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p>Employee Benefits</p> <p>This Standard supersedes AASB 119 <i>Employee Benefits</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in September 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 127	<p>Separate Financial Statements</p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 128	<p>Investments in Associates and Joint Ventures</p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

Notes to the Financial Statements

		Operative for reporting periods beginning on/after
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i></p> <p>[Modified by AASB 2010-7]</p>	1 Jul 2013
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements, [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012

Notes to the Financial Statements

		Operative for reporting periods beginning on/after
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013
AASB 2012-11	<p><i>Amendments to Australian Accounting Standards – Fair Value Reduced Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013

	2012 \$	2011 \$
5 EMPLOYEE BENEFITS EXPENSE		
Wages and salaries ^(a)	7,648,647	6,927,015
Superannuation - defined contribution plans ^(b)	852,823	783,320
Long service leave ^(c)	423,892	529,716
Annual leave ^(c)	1,180,164	1,647,033
	10,105,526	9,887,084

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

(b) Defined contribution plans include West State and Gold State and GESB Super Scheme (contributions paid).

(c) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 8 'Other expenses'.

The employment on-costs liability is included at note 19 'Provisions'.

6 SUPPLIES AND SERVICES		
Consultants and contractors	2,852,820	2,633,290
Travel	43,482	22,532
Materials	199,618	102,001
Communications	210,701	160,403
Other	304,433	209,436
	3,611,054	3,127,662
7 DEPRECIATION EXPENSE		
Information technology assets	14,057	32,183
Marine equipment	61,402	20,770
Other plant and equipment	1,462	1,413
Total depreciation	76,921	54,366

Notes to the Financial Statements

8 OTHER EXPENSES

Vehicle leases

Audit fees

Employment on-costs ^(a)

(a) Includes workers' compensation insurance and other employment on-costs.

9 OTHER REVENUE

Cost recoup for site visits, audits and administration

10 INCOME FROM STATE GOVERNMENT

Appropriations received during the year:

Service appropriation ^(a)

Resources received free of charge ^(b)

Determined on the basis of the following estimates provided by agencies:

Department of Environment and Conservation

State Solicitor's Office

Royalties for Region Fund:

- Pilbara Cities ^(c)

	2012 \$	2011 \$
	141,437	139,081
	25,400	23,100
	31,226	33,276
	198,063	195,457
	127,967	157,405
	127,967	157,405
	13,689,000	12,402,000
	13,689,000	12,402,000
	525,000	516,500
	45,684	25,118
	570,684	541,618
	390,000	390,000
	390,000	390,000
	14,649,684	13,333,618

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.
- (c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The current funds are committed to projects and programs in WA regional areas.

11 RESTRICTED CASH AND CASH EQUIVALENTS

Current

Funds held for various Specific Purpose accounts ^(a)

	2012 \$	2011 \$
Environmental Impact Assessment executive 1)	304,464	340,764
Gorgon Gas Development audit 2)	56,362	25,519
Fertiliser Initiatives account 3)	107,782	107,782
Strategic policy research and analysis account 4)	340,797	340,797
Marine studies 5)	232,852	165,000
Cockburn Sound EPP 6)	43,448	43,448
Terrestrial ecosystems research and analysis account 7)	123,015	123,015
Royalties for Regions - Pilbara Cities 8)	439,340	-
	1,648,060	1,146,325

(a) Specific Purpose accounts

- 1) Funding for specific projects, for improving process and providing training for Office of the Environmental Protection Authority, and Assessment and Compliance services related to EIA.
- 2) Funding provided for auditing of Gorgon Gas.
- 3) Specific purpose funding to support Government fertiliser initiatives.
- 4) Funding for environmental analysis and research associate with cyclical review of statutory policies and other strategic projects.
- 5) Contributions from Commonwealth, state government and private organisations for marine studies to support environmental protection.

Notes to the Financial Statements

- 6) Funds to support the 2012 review and revision of the Cockburn Sound State Environmental Policy (2005) and associated environmental quality criteria.
- 7) Funding for research and analysis associated with strategic biodiversity conservation and planning.
- 8) Unspent funds are committed to projects and programs in WA regional areas

	2012 \$	2011 \$
Non-current		
Accrued salaries suspense account ^(b)	243,503	195,229
(b) Amount held in suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.		

12 RECEIVABLES

Current

Receivables	74,637	467,452
Accrued revenue	-	22,405
GST receivable	50,261	38,244
	124,898	528,101

The Department does not hold any collateral as security or other credit enhancements relating to receivables.

13 AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

Non-current	677,000	611,000
	677,000	611,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

	2012 \$	2011 \$
14 OTHER ASSETS		
Current		
Prepayments	21,853	-
15 PLANT AND EQUIPMENT		
Information technology assets		
At cost	73,964	73,964
Accumulated depreciation	(67,002)	(52,945)
Accumulated impairment losses	-	-
	6,962	21,019
Marine equipment		
At cost	352,737	81,366
Accumulated depreciation	(94,236)	(32,834)
Accumulated impairment losses	-	-
	258,501	48,532
Other plant and equipment		
At cost	16,625	11,347
Accumulated depreciation	(3,383)	(1,920)
Accumulated impairment losses	-	-
	13,242	9,427
Other plant and equipment work in progress		
In progress costs	211,276	211,276
Transfer to Marine equipment	(211,276)	-
	-	211,276
	278,705	290,254

Notes to the Financial Statements

Reconciliation of plant and equipment

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out below.

	Information technology assets \$	Marine equipment \$	Other plant and equipment	Other plant and equipment work in progress \$	Total \$
2012					
Carrying amount at start of period	21,019	48,532	9,427	211,276	290,254
Additions	-	60,095	5,277	-	65,372
Transfers	-	211,276	-	(211,276)	-
Depreciation	(14,057)	(61,402)	(1,462)	-	(76,921)
Carrying amount at end of period	6,962	258,501	13,242	-	278,705
2011					
Carrying amount at start of period	53,202	69,302	4,954	-	127,458
Additions	-	-	5,886	211,276	217,162
Depreciation	(32,183)	(20,770)	(1,413)	-	(54,366)
Carrying amount at end of period	21,019	48,532	9,427	211,276	290,254

16 INTANGIBLE ASSETS

Computer software

At cost
Accumulated amortisation
Accumulated impairment losses

	2012 \$	2011 \$
At cost	17,100	-
Accumulated amortisation	-	-
Accumulated impairment losses	-	-
	17,100	-

	2012 \$	2011 \$
Reconciliation of computer software		
Carrying amount at start of period	-	-
Additions	17,100	-
Carrying amount at end of period	17,100	-

17 IMPAIRMENT OF ASSETS

There were no indications of impairment to plant and equipment or intangible assets at 30 June 2012.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2012 have either been classified as assets held for sale or written-off.

18 PAYABLES

Current

Accrued expenses	96,516	266,200
Accrued salaries	236,585	251,531
	333,101	517,731

19 PROVISIONS

Current

Employee benefits provision

Annual leave ^(a)	638,967	883,018
Long service leave ^(b)	858,120	712,745
	1,497,087	1,595,763

Other provisions

Employment on-costs ^(c)	12,350	13,164
	1,509,437	1,608,927

Notes to the Financial Statements

	2012 \$	2011 \$
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	1,048,136	995,463
<i>Other provisions</i>		
Employment on-costs ^(c)	8,647	8,212
	<u>8,647</u>	<u>8,212</u>
	<u>1,056,783</u>	<u>1,003,675</u>

(a) Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	511,174	706,414
More than 12 months after the reporting period	127,793	176,604
	<u>638,967</u>	<u>883,018</u>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	300,342	249,461
More than 12 months after the reporting period	1,605,914	1,458,747
	<u>1,906,256</u>	<u>1,708,208</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense is included at note 8 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

	2012 \$	2011 \$
Employment on-cost provision		
Carrying amount at start of period	21,376	18,681
Additional/(reversals of) provisions recognised	(379)	2,695
Carrying amount at end of period	20,997	21,376

20 EQUITY

The Government holds the equity interest in the Department on behalf of the community. Equity represents the residual interest in the net assets of the Department.

Contributed equity

Balance at start of period	271,675	226,675
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Contributions by owners

Capital appropriation	104,000	45,000
Total contribution by owners	104,000	45,000

Balance at end of period	375,675	271,675
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Accumulated surplus

Balance at start of period	393,613	167,159
Result for the period	786,087	226,454
Balance at end of period	1,179,700	393,613

Total equity at end of period	1,555,375	665,288
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Notes to the Financial Statements

	2012 \$	2011 \$
21 NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	1,443,577	1,024,712
Restricted cash and cash equivalents (see note 11 'Restricted cash and cash equivalents')	1,891,563	1,341,554
	3,335,140	2,366,266
Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(13,863,597)	(13,107,164)
Non-cash items:		
Depreciation expense (note 7)	76,921	54,366
Resources received free of charge (note 10)	570,684	541,618
Increase in assets:		
Current receivables ^(c)	805,221	(73,634)
Other current assets	(21,853)	-
Increase in liabilities:		
Current payables ^(c)	(184,630)	44,507
Current provisions	(99,490)	335,834
Non-current provisions	53,108	182,228

	2012 \$	2011 \$
Net GST receipts ^(a)	23,693	(46,852)
Change in GST in receivables and payables ^(b)	(35,710)	40,111
Net cash (used in) operating activities	(12,675,653)	(12,028,986)

(a) This is the net GST paid/received, ie. cash transactions.

(b) This reverses out the GST in receivables and payables.

(c) Note that the Australian Taxation office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

22 RESOURCES PROVIDED FREE OF CHARGE

During the year there were no resources provided to other agencies free of charge for functions outside the normal operations of the Department.

23 COMMITMENTS

Non-cancellable operating lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Within 1 year	69,959	71,145
Later than 1 year and not later than 5 years	17,211	43,941
	87,170	115,086

Representing:

Non-cancellable operating leases	87,170	115,086
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The Department has entered into non cancellable operating vehicle lease commitments. The lease term varies depending on the vehicle. The lease payments are fixed for the term of the lease and are payable monthly. There is no option to renew the lease at the end of the lease term.

The commitments are inclusive of GST.

Notes to the Financial Statements

24 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department has no contingent liabilities and contingent assets as at 30 June 2012.

25 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events have occurred after the end of the reporting period which would materially impact on the financial statements.

26 EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$200,000.

Total appropriations provided to deliver services

Significant variances between estimate and actual for 2012

	2012 Estimate \$	2012 Actual \$	Variance \$
Total appropriation provided to deliver services for the period	14,119,000	13,689,000	(430,000) ^(a)
Total income	1,240,000	127,967	(1,112,033) ^(b)

(a) Appropriations were reduced as funds for the Legacy EPACIS System and Case Management System were transferred into the 2012/13 budget year.

(b) Income is based on historical results and the expected one-off grants did not materialise.

Significant variances between actual results for 2012 and 2011

	2012 \$	2011 \$	Variance \$
Total appropriation provided to deliver services for the period	13,689,000	12,354,000	1,335,000 ^(a)
Total income	127,967	157,405	(29,438) ^(b)

- (a) Additional appropriations were received to assist OEPA to provide qualified staff to undertake complex environmental assessments and the provision of strategic policy advice for greater certainty for proponents and to undertake a reform process for a more efficient assessment process.
- (b) Income is dependent upon the accessing of one-off grants for particular projects and can vary from year to year.

Service expenditure

Significant variances between estimate and actual for 2012

	2012 Estimate \$	2012 Actual \$	Variance \$
Environmental Impact Assessment and Policies	15,113,000	12,231,628	(2,881,372) ^(a)
Environmental Compliance Audits	1,396,000	1,759,936	363,936 ^(b)

- (a) Estimates are made based on the full FTE cap and related expenses and during 2011 – 12 a number of positions remained vacant with difficulties in sourcing Environmental Officers.
- (b) A revision of the allocation basis was undertaken which increased the Environmental Compliance Audit services.

Significant variances between actual results for 2012 and 2011

	2012 \$	2011 \$	Variance \$
Environmental Impact Assessment and Policies	12,231,628	11,769,231	462,397 ^(a)
Environmental Compliance Audits	1,759,936	1,495,338	264,598 ^(b)

- (a) Variance is attributable to the increased resources being required to cope with the increased assessment workload and the introduction of positions required to service the more complex Environmental Assessments.
- (b) There was an increase in the required resources to undertake the compliance audit service.

Notes to the Financial Statements

Capital contribution

Significant variances between estimate and actual for 2012

No significant variance in Capital contribution.

Significant variances between actual results for 2012 and 2011

	2012	2011	Variance
	\$	\$	\$
Capital contribution	104,000	45,000	59,000 ^(a)

(a) The capital contribution variance reflects the increased need to provide essential computing equipment to assist in the implementation of improved assessment process.

27 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, receivables, and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 27(c) 'Financial instrument disclosures' and note 12 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables

other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments.

The Department does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2012 \$000	2011 \$000
Financial Assets		
Cash and cash equivalents	1,444	1,025
Restricted cash and cash equivalents	1,892	1,341
Loans and receivables ^(a)	752	1,101
Financial Liabilities		
Financial liabilities measured at amortised cost	333	518

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

c) Financial instrument disclosures**Credit risk**

The following tables disclose the Department's maximum exposure to credit risk and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based

on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

Notes to the Financial Statements

Aged analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired				Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	
2012							
Cash and cash equivalents	1,444	1,444	-	-	-	-	-
Restricted cash and cash equivalents	1,892	1,892	-	-	-	-	-
Receivables ^(a)	75	-	75	-	-	-	-
Amounts receivable for services	677	677	-	-	-	-	-
	4,088	4,013	75	-	-	-	-
2011							
Cash and cash equivalents	1,025	1,025	-	-	-	-	-
Restricted cash and cash equivalents	1,341	1,341	-	-	-	-	-
Receivables ^(a)	490	23	-	467	-	-	-
Amounts receivable for services	611	611	-	-	-	-	-
	3,467	3,000	-	467	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Liquidity risk and interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure				Maturity dates					
	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal Amount \$000	Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2012										
Financial Assets										
Cash and cash equivalents		1,444	-	1,444	1,444	1,444	-	-	-	-
Restricted cash and cash equivalents		1,892	-	1,892	1,892	1,892	-	-	-	-
Receivables ^(a)		75	-	75	75	75	-	-	-	-
Amounts receivable for services		677	-	677	677	-	-	-	677	-
		4,088	-	4,088	4,088	3,411	-	-	677	-
Financial Liabilities										
Payables		333	-	333	333	333	-	-	-	-
		333	-	333	333	333	-	-	-	-
2011										
Financial Assets										
Cash and cash equivalents		1,025	-	1,025	1,025	1,025	-	-	-	-
Restricted cash and cash equivalents		1,341	-	1,341	1,341	1,341	-	-	-	-
Receivables ^(a)		490	-	490	490	23	467	-	-	-
Amounts receivable for services		611	-	611	611	-	-	-	611	-
		3,467	-	3,467	3,467	2,389	467	-	611	-
Financial Liabilities										
Payables		518	-	518	518	518	-	-	-	-
		518	-	518	518	518	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Notes to the Financial Statements

28 REMUNERATION OF SENIOR OFFICERS

The number of senior officers whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

\$	2012	2011
40,001-50,000	-	1
120,001-130,000	1	-
150,001-160,000	-	1
160,001-170,000	-	1
170,001-180,000	1	-
180,001-190,000	1	1
190,001-200,000	1	-
300,001-310,000	1	-
Total remuneration of senior officers	\$983,128	\$550,545

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

One senior officer is a member of the Pension Scheme.

This increase is related to the successful filling of two director positions in 2012 and incremental adjustment to the General Manager's salary.

29 REMUNERATION OF AUDITOR

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2012 \$	2011 \$
Auditing the accounts, financial statements and key performance indicators	25,400	23,100

30 RELATED AND AFFILIATED BODIES

The Department does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951.

31 SUPPLEMENTARY FINANCIAL INFORMATION

(a) Write-offs

The Department did not write off any bad debts, revenue, debts due to the State, public or other property during the financial year. (2011: nil)

(b) Losses through theft, defaults and other causes

The Department had no losses through theft, defaults and other causes during the financial year. (2011: nil)

(c) Gifts of public property

The Department had no gifts of public property during the financial year. (2011: nil)

Key Performance Indicators

Certification of Key Performance Indicators

For the year ended 30 June 2012

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Environmental Protection Authority's performance, and fairly represent the performance of the Office of the Environmental Protection Authority for the financial year ended 30 June 2012.



Kim Taylor

Accountable Authority

17 September 2012

Performance information

The Office of the Environmental Protection Authority (OEPA) was established as a separate Department in November 2009. The OEPA works to support the Government's goal of ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State.

It supports this goal by working to deliver the desired outcome of an efficient and effective environmental assessment and compliance system.

The OEPA has two key services that contribute to the above outcome and against which the Department's effectiveness and efficiency is reported.

1. Environmental impact assessment and policies
2. Environmental compliance audits

It should be noted that the OEPA's performance indicators are currently under review in order to develop a new set of indicators that are more robust, contemporary and fit for purpose.

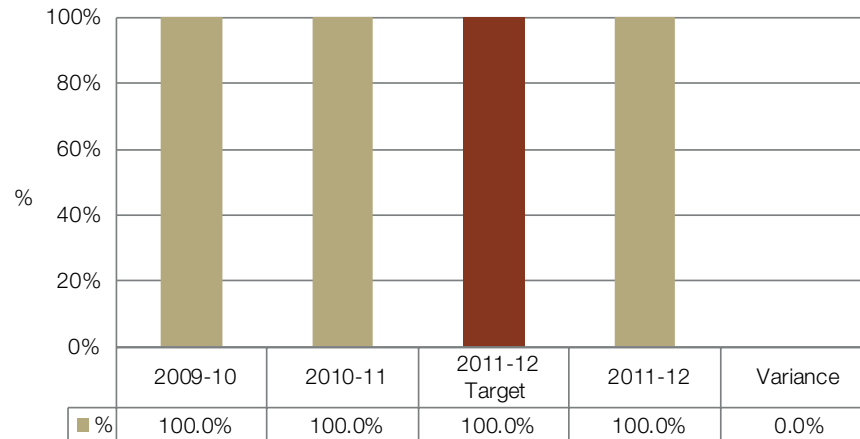
Key Performance Indicators

Outcomes and key effectiveness indicators

There are three current effectiveness indicators for the OEPA:

	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2011-12 Variance of Target to Actual	Variance of Actual 2010-11 and 2011-12
Percentage of approved projects with actual impacts not exceeding those predicted during the assessment	100%	100%	100%	100%	0%	0%
Percentage of assessments that meet agreed initial timelines	84%	82%	80%	80%	0%	-2%
Percentage of audited projects where all environmental conditions have been met	n/a ^(a)	58%	80%	87%	7%	29%

(a) Indicator not in place during 2009-10



Percentage of assessments where actual environmental impacts have not been found to have seriously exceeded predicted impacts

Percentage of approved projects with actual impacts not exceeding those predicted during the assessment

Accuracy of predicting environmental impacts

Accurately predicting likely environmental impacts is essential to the development of appropriate conditions for any approval.

The OEPA assesses the effectiveness of its environmental impact assessments by determining the number of times that action needs to be taken beyond routine compliance to achieve protection of the environment as specified under conditions in an Implementation Statement.

Such action could relate to the issuing of a notice by the Minister for Environment under section 48 (4) of the *Environmental Protection Act 1986*.

Explanatory notes

The determination of whether a project has had impacts exceeding those predicted during the assessment is based on information from the OEPA audits, audits by other government agencies, reports submitted by project proponents and from information reported by the public.

The 2011-12 result of 100 per cent was determined by considering the following criteria:

Orders/notices issued by Minister

There were no notices issued in 2011 – 12 by the Minister to prevent, control or abate any pollution or environmental harm caused by non-compliance.

Information from OEPA audits

The 55 audits undertaken by the Statement Compliance branch in 2011 – 12 did not result in the detection of any projects where environmental impacts were beyond those regulated by the Ministerial conditions.

Audits by other Government agencies

No advice was received from other Government agencies in 2011 – 12 indicating environmental impacts beyond those regulated by the Ministerial conditions.

Reports submitted by project proponents

No reports were received from proponents in 2011 – 12 indicating environmental impacts beyond those regulated by the Ministerial conditions.

Information reported by the public.

No information was received from the public in 2011 – 12 indicating environmental impacts beyond those regulated by the Ministerial conditions.

Percentage of assessments where original timelines have been met

Percentage of assessments that met agreed timelines

Timeliness of EIA process

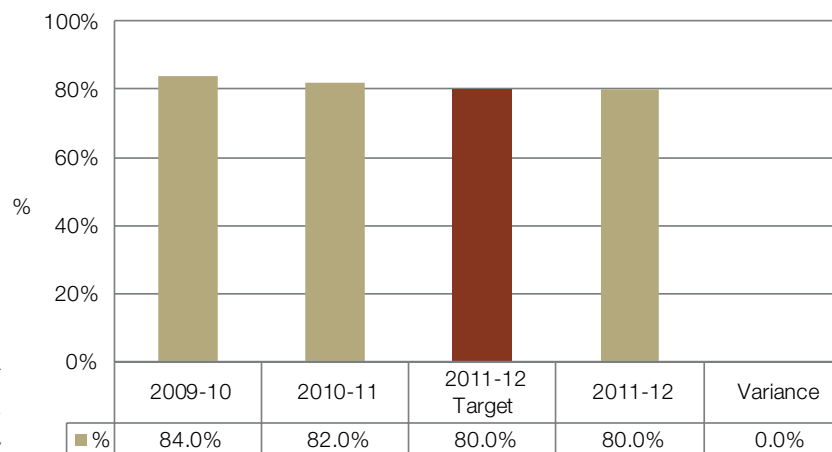
Expected timelines are usually agreed at the time an assessment is commenced. This graph illustrates the percentage of assessments where those initially agreed timelines have been met.

Explanatory notes

Timelines for an assessment may vary according to the complexity of the project and are usually agreed with the proponent soon after the level of assessment is determined.

The EPA has adopted a practice of publishing in its assessment report to the Minister whether it has met the timeline objective.

In 2011 – 12, the OEPA met its timeline objective in 80 per cent of cases, as forecast. Instances where the OEPA did not meet its timeline objective were generally as a result of extended consultation with proponents on complex environmental matters.



Key Performance Indicators

Percentage of audited projects where all environmental conditions have been met

Rates of compliance with ministerial conditions

Compliance monitoring is managed through a structured annual Compliance Management Program. The program sets out the number of audits to be undertaken and using a priority matrix identifies the Ministerial Statements to be audited.

The priority matrix considers:

- Condition of existing receiving environment.
- Potential consequence of failed key management actions on environment and or human recipients.
- Environmental Performance.
- Stakeholder Interest.

All high priority ranked Statements are audited as part of the Compliance Management Program.

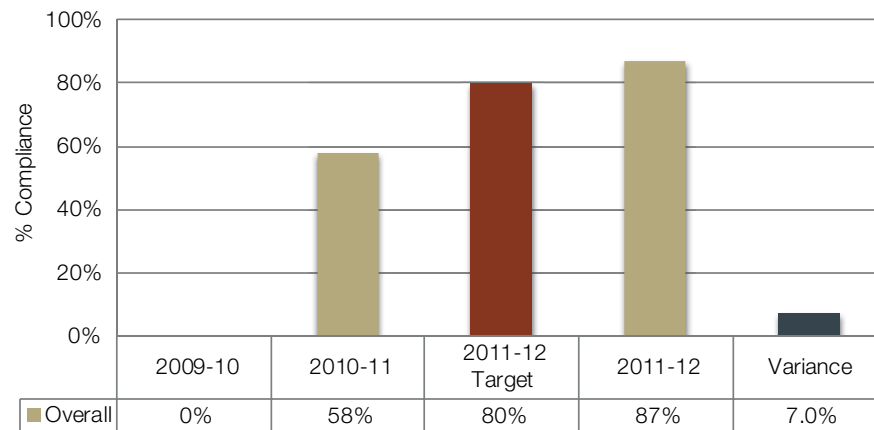
The percentage of audited projects where all environmental conditions have been met is determined from the audits of statements within this program.

Explanatory notes

The Priority Matrix incorporates a number of factors to priority rank Ministerial Statements. An audit program of statements is developed based on the priority ranking.

Audits consist of a desk top review of all information submitted to demonstrate compliance and site audits where further verification is required to assess the compliance status.

Improved efficiencies in undertaking audits have assisted in achieving a greater number of audits. 55 audits were undertaken in 2011—12 compared to 47 audits during 2010—11.



Percentage of audited projects where all environmental conditions have been met

Services and key efficiency indicators

Service 1: Environmental impact assessment and policies

	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2011-12 Variance of Target to Actual	Variance of Actual 2010-11 and 2011-12
Average cost per environmental assessment	\$39,138	\$39,336	\$49,077	\$40,688	(\$8,389)	\$1,352
Average cost per environmental policy developed	\$161,699	\$192,162	\$263,689	\$120,693	(\$142,996)	(\$71,469)

Average cost per environmental assessment

Environmental impact assessments and post approval reviews are categorised into several groups, depending on the complexity of the assessment or statutory process.

Each group is given a weighting of 1 to 5.

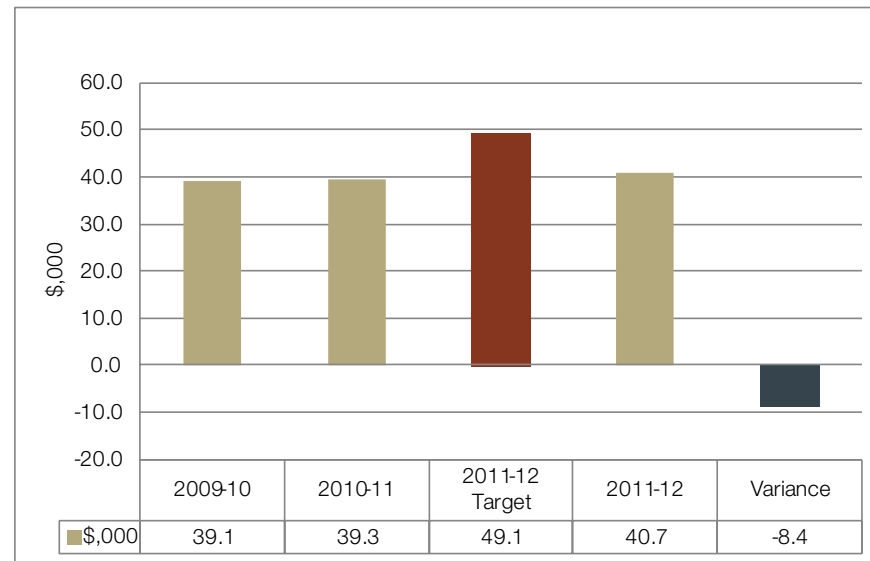
The weighted average cost is calculated by the total cost of providing the service (including overhead costs) by the weighted number of output EIA services provided.

Explanatory notes

There can be significant variation in time taken and resources expended on individual proposals depending on a variety of factors (scale, experience of the proponent, sensitivity of the receiving environment, degree of public interest). However, the statutory process and/or level of assessment can serve as a general guide.

Strategic proposals and Public Environmental Reviews attract the highest weighting of 5 in view of the fact that they usually attract a high degree of public interest, and

may be of a scale and complexity that would involve a significant investment of officer time by the Department. A recent example is the Browse LNG precinct strategic proposal.



Average cost per environmental impact assessment

Section 48A planning scheme referrals also attract a weighting of 5 because they are generally broad scale and involve multiple land uses in areas of high biodiversity.

Assessments based on proponent information are generally for more routine proposals with fewer environmental factors and as such they attract a weighting of 2.

Section 46 changes to approved Ministerial implementation conditions result in a public report by the EPA and attract a weighting of 2.

Less complex activity includes review of environmental management plans and amendments to proposals under s45(c) of the EP Act. These are given a weighting of 1.

Average cost per environmental policy developed

The OEPA develops environmental protection policies, guidelines and strategic advice for the EPA and for Government. Policy and guidelines assist in minimising environmental impacts and protecting important parts of the environment. They also provide guidance about the EPA's expectations in relation to environmental impact assessment and assist users of the OEPA's services to navigate the statutory processes.

Policies, guidelines and strategic advice vary in type. The type of instrument, as well as the complexity of the topic, can have a significant bearing on the effort involved in its preparation.

Policy development is divided into three categories based upon the type of policy, guidance or strategic advice. These are:

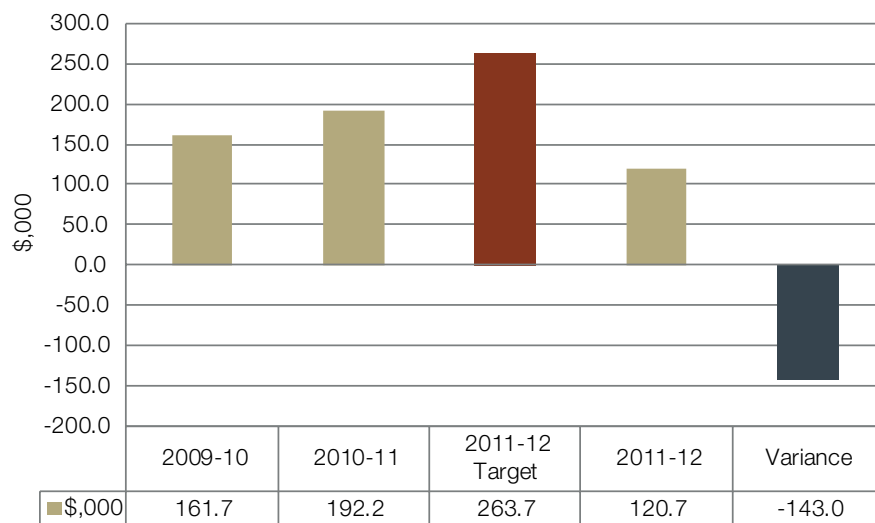
- Maximum complexity (weight 3);
- Medium complexity (weight 2); and
- Low complexity (weight 1)

The weighted average cost is calculated by dividing the total cost of policy, guidance or strategic advice by the weighted number of output services provided.

Explanatory notes

Only those policies completed, published and/or delivered to the end user are counted for the purpose of calculating efficiency.

The policy output is divided into three categories which broadly reflect their statutory importance and degree of complexity.



Average cost per policy development

Statutory and Cabinet endorsed policies and frameworks are given the highest weighting of 3 to reflect their relative complexity. Based on judgement and past experience, it is assumed these may take an average of 600 and 900 hours to complete.

Strategic advice, guidelines and knowledge services are given a weighting of 2 to reflect their moderate level of complexity. These may take an average of 300-600 hours to complete.

The lowest level of complexity applies to environmental protection bulletins and reviews which are given a weighting of 1 to reflect that they take up to 300 hours to complete on average.

In 2011 — 12, the calculation method was varied from previous years to apply the weighted average and to exclude policies, guidelines and strategic advice that were not completed, published and/or delivered to the end user. This contributed to the difference between Target and Actual.

Key Performance Indicators

Service 2: Environmental Compliance Audits

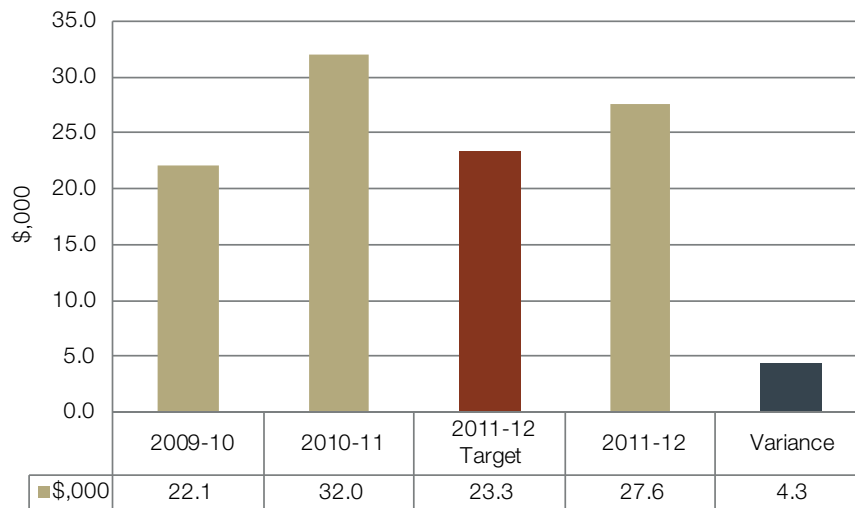
	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2011-12 Variance of Target to Actual	Variance of Actual 2010-11 and 2011-12
Average cost per environmental audit completed	\$22,140	\$32,020	\$23,264	\$27,594	\$4,330	(\$4,426)

Average cost per environmental audit completed

The average cost of compliance auditing is calculated by dividing the total cost of compliance services by the number of audits undertaken.

Explanatory notes

The target average cost per compliance audit is based on a predicted 60 audits being completed during the period. 55 audits were actually undertaken during 2011 – 12 and as a result the average cost per compliance audit has increased. There is a clear trend that the complexity of approved projects increases year on year. The fewer audits undertaken in 2010 – 11 in comparison with 2011 – 12 is a reflection of the increased effort required to undertake the higher complexity audits.



Weighted average cost of audits and verification inspections and scans of annual compliance reporting

Other disclosures

Ministerial directives

No Ministerial Directives were received during the 2011–12 financial year.

Other financial disclosures (TI 903)

Pricing Policies of Services Provided

The department is fully funded from appropriations and does not charge any fee for service.

Governance disclosures (TI 903)

Contracts with senior officers

At the date of reporting, senior officers of the department held no contracts with the department other than normal employment contracts. No senior officers of the department had substantial interests in entities with existing or proposed contracts or agreements with the department.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with Section 175ZE of the *Electoral Act 1907*, the department incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total expenditure for 2011–12 was \$45,363.75

Expenditure was incurred in the following areas:

Advertising agencies	NIL	
Market research organisations	\$19,150.00	Integral Development
Polling organisations	NIL	
Direct mail organisations	\$38.38	key2creative
Media advertising organisations	\$26,175.37	AdCorp

Media advertising is primarily a public notice in the West Australian newspaper each Monday notifying levels of assessment set and open to public appeal as well as EPA reports and recommendations released.

Integral Development conducted a survey of clients of the environmental impact assessment process on behalf of the OEPA in April 2012. Results of this survey have provided useful stakeholder feedback on the progress of the department's EIA reforms.

Other disclosures

Disability Access and inclusion plan outcomes (Disability Services Act 1993, s29 and Schedule 3 of the Disability Services Regulations 2004)

The OEPA receives corporate services from the Department of Environment and Conservation. This includes DEC's Disability Access and Inclusion Plan (DAIP) 2007 – 2012 that continues with an ongoing program of improving access, facilities, and services to ensure they meet the needs of our customers and staff.

The plan is monitored by DEC's Disability Access and Inclusion Committee, and the OEPA's Corporate Executive continues to meet and takes into account the interests of all OEPA staff that are covered by the plan.

Equal Employment Opportunity and Diversity Management Outcomes

Workforce and Diversity Plan 2012–2014

OEPA has implemented a Workforce and Diversity Plan to assist in the identification of current and future workforce needs and to provide business initiatives that align with the Strategic Directions for the Public Sector Workforce 2009–2014 and *Equal Opportunity Act 1984*.

We are building a culture that will enhance how we work together as a group of professional individuals towards our shared vision with EPA of 'an environment that is highly valued and protected' through achieving an enhanced service culture with improved stakeholder relationships.

OEPA is committed to an inclusive work environment that is free from any form of harassment or discrimination and is progressing through a review of all Human Resource policies and additionally, as part of the Workforce and Diversity Plan, implementing a Work Life Policy to achieve the goal of attracting a skilled diverse workforce within an efficient and flexible Public Sector.

	Target	Actual*
FTE compared to FTE ceiling	103	96
% women in agency	50%	50%
% women in Management Tier 1 (GM) and Tier 2 (Directors)	50%	0%
% women in Management Tier 3 (Managers)	50%	45%
% people with disabilities in agency	3%	0%
% indigenous employees in agency	3%	1%
% employees aged < 25 years	5%	3.85%
% part-time employees in agency	20%	17.48%

* As at 30 June 2012

Compliance with Public Sector Standards and Ethic Codes

(Public Sector Management Act 1994, s31(1))

Compliance issue	Significant action taken to monitor and ensure compliance
<p>Public Sector Standards There were no breach claims lodged in 2011 – 12.</p>	<ul style="list-style-type: none"> The DEC intranet, of which the OEPA intranet is a section, has information on the Public Sector Standards including a hyperlink to the Office of Public Sector Standards Commissioner’s (OPSSC) internet site. Ongoing training is provided to grievance officers and made available to officers required to participate on recruitment panels to ensure compliance with the relevant standard. The WA Code of Ethics is contained within OEPA’s Code of Conduct. The Code of Conduct includes a hyperlink to the PSC internet site for “Western Australia Public Sector Code of Ethics”. The OEPA Code of Conduct was revised and updated in April 2012 to include information received from the Crime and Corruption Commission on risks relating to gifts and benefits.
<p>WA Code of Ethics There were no reports of non-compliance with the WA Code of Ethics</p>	
<p>Department’s Code of Conduct There were no breaches of the code of conduct in 2011–12.</p>	

Recordkeeping Plans

(State Records Act 2000 and State Records Commission Standard 2, Principle 6)

DEC’s Corporate Information Services (CIS) Section continues to support the EPA and OEPA’s compliance with the *State Records Act 2000*.

The EPA and OEPA have been incorporated into DEC’s revised *Recordkeeping Plan DEC RK 2010043* which was approved by the State Records Commission on 15 September 2010.

The OEPA is currently reviewing its record keeping procedures as part of an overarching implementation of its information management strategy. In May 2012, an *Information Management Policy - Correspondence Naming Convention* was introduced to define the naming convention for correspondence recorded in the department’s records management system, Objective.

During 2011 – 12, the DEC provided training in Objective to OEPA staff. Additionally, more specialised and individual training sessions for certain roles were also conducted.

Other disclosures

Government Policy Requirements

Occupational Safety, Health and Injury Management (Public Sector Commissioner's Circular 2009-11: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

The OEPA is committed to achieving a high standard of occupational safety and health performance. This is achieved in accordance with the *Occupational Safety and Health Act 1984* and the Government of Western Australia's *Occupational Safety and Health in the Western Australian Public Sector*.

The OEPA adopts the Department of Environment and Conservation's policies to support a workplace that is free of work-related injuries and diseases.

This is done by operating in accordance with occupational safety and health legislation, regulations, approved codes of practice and WorkSafe Plan.

The OEPA makes all employees and contractors aware of their OSH responsibilities through access to OSH information and training, and by encouraging senior management to take leadership in OSH matters with a common view to improve OSH outcomes.

The following actions form the basis of the OEPA's consultation mechanism:

- Employee involvement in hazard identification, risk assessment and risk control process through the reporting of potential risk to either their manager or by entering that incident in the central register.
- Feedback from employees on occupational safety and health issues through an annual survey and during team meetings.

- Communication to employees of the OSH management system on implementation and on review.
- Inclusion of OSH management system requirements in employee inductions.
- Regular reporting of OSH issues at corporate executive meetings.
- Reporting of any irregular OSH risks or incidents to the DEC Audit and Risk Management Committee.

The OEPA is committed to providing quality and prompt injury management support to all its employees who may sustain a work-related injury or illness, with a focus on safe and early return to meaningful work and in accordance with the *Workers' Compensation and Injury Management Act 1981*.

The expected injury management outcomes are:

1. Return to work in the same position
2. Return to work in a new position
3. Return to work in a position with another agency

Indicator	Performance	Target
Number of fatalities	Zero (0)	0
Lost time injury/disease (LTI/D) incidence rate	Zero (0)	0 or 10% improvement on the previous three (3) years
Lost time injury severity rate	Zero (0)	0 or 10% improvement on the previous three (3) years
% of injured workers returned to work within (i) 13 weeks and (ii) 26 weeks	Not applicable	Greater than or equal to 80% return to work within 26 weeks
% of managers trained in occupational safety, health and injury management responsibilities	0%	Greater than or equal to 80%

Harmonised OSH laws – Work Health and Safety legislation

The DEC's Occupational Safety and Health policy was reviewed in December 2011. At that time it was noted that the policy would need to be reviewed following the passage of model Work Health and Safety legislation scheduled for January 2012 and thereafter no later than June 2016.





APPENDICES

Appendix 1 - Public reports and recommendations to the Minister for Environment

Report number	Title	Proponent	Type of report	Released
1406	Voyager Quarry, Lots 11 and 14 Horton Road, The Lakes, Avon Location 1881, Shire of Northam - Proposal to delete Conditions 6 and 11 and amend Condition 12 of Ministerial Statement 706	BGC (Australia) Pty Ltd	s46	4-Jul-11
1407	Ammonium Nitrate Production Expansion Project: Phase 2, Kwinana	CSBP Ltd	PER - pre 2010	18-Jul-11
1408	Cape Lambert to Emu Siding Rail Duplication	Rio Tinto Iron Ore	API	25-Jul-11
1409	West Pilbara Iron Ore Project - Stage 1 Mine and Rail Proposal	API Management Pty Ltd	PER - pre 2010	3-Aug-11
1410	Parker Range (Mount Caudan) Iron Ore Project	Cazaly Iron Ore Pty Ltd	PER - pre 2010	3-Aug-11
1411	Gold Mining Developments on Lake Lefroy - Beyond 2010	St Ives Gold Mining Company Pty Ltd	PER - pre 2010	3-Aug-11
1412	Cape Lambert Port B development - proposal under s46 of the Environmental Protection Act 1986 to change Condition 8-1 of Ministerial Statement 840 (Assessment No. 1884)	Pilbara Iron Pty Ltd	s46	3-Aug-11
1413	Jack Hills Expansion Project	Crosslands Resources Ltd	PER - pre 2010	15-Aug-11
1414	Town of Port Hedland Town Planning Scheme No. 5 Amendment 22: Rezone Residential Land in the West End of Port Hedland	Town of Port Hedland		29-Aug-11
1415	Magellan Lead Carbonate Project, Wiluna – to facilitate the export of containerised lead from the Port of Fremantle, change to environmental conditions	Magellan Metals Pty Ltd	s46	3-Oct-11
1416	Hamersley Agriculture Project	Hamersley Iron Pty Ltd	API	17-Oct-11
1417	Spotted Quoll open pit nickel project - Proposal under s46 of the EP Act to change Condition 8-2 and 8-3 of Ministerial Statement 808 (Assessment No. 1881)	Western Areas NL	s46	24-Oct-11
1418	Busselton Regional Aerodrome - proposal under s46 of the EP Act to replace Condition 4-4 of Ministerial Statement 399	Shire of Busselton	s46	31-Oct-11
1419	Multi-user Iron Ore Export (Landside) Facility	North West Infrastructure	API	28-Nov-11
1420	Point Grey Marina	Point Grey Development Company Pty Ltd	PER - pre 2010	5-Dec-11

Report number	Title	Proponent	Type of report	Released
1421	Mt Gibson Iron Ore Mine and Infrastructure Project, Shire of Yalgoo - Proposal under s46 of the EP Act to amend Condition 13 Fauna Management along the Services Corridor, and Condition 15 Performance Bond (Ministerial Statement 753)	Mount Gibson Mining Limited and Extension Hill Pty Ltd	s46	5-Dec-11
1422	Transitional Development of Cone Bay Marine Tropical Finfish Aquaculture Venture, Aquaculture Licence 1465, Shire of Derby/West Kimberley	Marine Produce Australia Ltd	API	9-Dec-11
1423	Expansion of Jurien Gypsum Mining Operation ML70/1161, Shire of Dandaragan - proposal under s46 of the EP Act to amend Condition 8-1 of Ministerial Statement 730	CSR Gyprock Fibre Cement	s46	19-Dec-11
1424	Hope Downs Iron Ore Mine, 75km north west of Newman, Pilbara Region - Change to conditions of Ministerial Statement 584 under s46 of the EP Act	Hamersley Hope Management Services Pty Ltd	s46	19-Dec-11
1425	Extension of Kemerton Silica Sand Dredge Mining	Kemerton Silica Sand Pty Ltd	PER - pre 2010	9-Jan-12
1426	Yilgarn Operations - Deception Deposit	Cliffs Asia Pacific Iron Ore Pty Ltd	API	9-Jan-12
1427	Port Hedland Outer Harbour Development	BHP Billiton Iron Ore	PER - pre 2010	23-Jan-12
1428	Busselton Regional Aerodrome – Proposal under section 46 of the EP Act to replace condition 4-4 of Ministerial Statement 399	Shire of Busselton	s46	30-Jan-12
1429	Cloudbreak Life of Mine Project	Fortescue Metals Group Ltd	PER - pre 2010	8-Feb-12
1430	Wagerup Alumina Refinery – Extension of time limit for substantial commencement – s46 change to condition 4 of Ministerial Statement 728	Alcoa World Alumina	s46	13-Feb-12
1431	Cape Riche Seawater Desalination Plant	Grange Resources	PER	13-Feb-12
1432	Expansion to Limestone Quarry on Mining Lease 08/06 Sub Lease 3H/034, 8km southwest of Exmouth	LG and HM McDonald	API	27-Feb-12
1433	Windarling Range W3/5 Deposit Deepening	Cliffs Asia Pacific Iron Ore Pty Ltd	API	12-Mar-12
1434	Noise Regulation 17 Exemption, Western Power Transmission Substations	Western Power	Reg 17	26-Mar-12

Appendix 1 - Public reports and recommendations to the Minister for Environment

Report number	Title	Proponent	Type of report	Released
1435	Busselton Regional Aerodrome - Noise Management Plan - s46 inquiry into conditions	City of Busselton	s46	26-Mar-12
1436	Ministerial Statements 805 and 806 - Karara Mining Ltd s46 condition changes	Karara Mining Ltd	s46	26-Mar-12
1437	Wiluna Uranium Project	Toro Energy Ltd	ERMP	21-May-12
1438	Yilgarn Operations – Windarling Range W4 East Deposit	Cliffs Asia Pacific Iron Ore Pty Ltd	API	28-May-12
1439	Roy Hill 1 Iron Ore Mining Project Stage 1 – Section 46 Change to Condition 9 of Ministerial Statement 824 – Short Range Endemic Invertebrates	Roy Hill Iron Ore Pty Ltd	s46	5-Jun-12
1440	Wheatstone Development – s46 changes to conditions 6 and 8 of Ministerial Statement 873	Chevron Australia Pty Ltd	s46	5-Jun-12
1441	Weld Range Iron Ore Project		PER	18-Jun-12
1442	Augusta Wastewater Treatment Plant – proposal under s46 of the EP Act to remove implementation conditions of Ministerial Statement 126		s46	18-Jun-12
1443	Forest Management Plan 2004-2013 – end-of-term audit of performance report		audit	18-Jun-12

Appendix 2 - Section 45C approved changes to proposals

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
789	Western Extension to the Dardanup Mineral Sands Project to include the Burekup Mineral Sands Deposit <i>Doral Mineral Sands Pty Ltd</i>	Change to the Burekup West Mine disturbance footprint area.	8-Jul-11
735	Dampier to Bunbury natural gas pipeline Stage 5 expansion <i>DBNGP (WA) Nominees Pty Limited trading as the Dampier Bunbury Pipeline</i>	To allow for construction within additional easements granted for the purposes of the Dampier to Bunbury Natural Gas Pipeline.	5-Aug-11
690	Pilbara Iron Ore & Infrastructure Project: Port & North-South Railway (Stage A) <i>Fortescue Metals Group Limited</i>	Increase in railway corridor disturbance (371 hectares) due to construction of additional infrastructure. Increase in port operating area (3 hectares) due to widening of causeway.	21-Aug-11
773	Windimurra Vanadium Project: Land clearing and mining below the base of weathering, Shire of Mount Magnet <i>Midwest Vanadium Pty Ltd</i>	Additional land clearing.	23-Aug-11
481	Wagoo Hills Vanadium Project and Mingenew Coal Project <i>Midwest Vanadium Pty Ltd</i>	Production of iron ore.	30-Aug-11
723	Coburn Mineral Sand Project, South-East of Denham, Shire of Shark Bay <i>Gunson Resources Ltd</i>	Change to project life and location of disturbance footprint.	21-Sept-11
749	Coyote Gold Mine, Stage 2, approximately 280 kilometres south east of Hall's Creek, Tanami Desert, Shire of Hall's Creek <i>Tanami Gold NL</i>	Increase to mine life, ore mined and waste rock volumes, deepening of the Kookaburra pit, and an increase to pit and land disturbance areas.	28-Sept-11
634	Development of a Quarry and Industrial Site, King Bay, Burrup Peninsula <i>BGC Contracting Pty Ltd and Dampier Port Authority</i>	Change to site boundaries and increase in quarry volume	28-Sept-11

Appendix 2 - Section 45C approved changes to proposals

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
695	Yandicoogina Junction South East Mine, Mining Lease 274SA, Shire of East Pilbara <i>Hammersley Iron Pty Ltd</i>	To clear an additional 212 ha of vegetation for waste dumps, topsoil stockpiles and haul road diversions and to increase the mining rate by 2 million tonnes per annum.	12-Oct-11
16	Channar Mining Project – Hammersley Range <i>Pilbara Iron on behalf of the Channar Mining Joint Venture</i>	Amendment to disturbance boundaries.	12-Oct-11
859	South West Creek Dredging and Reclamation Project <i>Port Hedland Port Authority</i>	Relocation of DMMA G Discharge Point and Modification of zone of Permanent Mangrove Loss.	27-Oct-11
834	Orebody 24/25 Upgrade Project <i>BHP Billiton Iron Ore Pty Ltd</i>	The disturbance area and ore processing rate are changed to enable a rail spur, train load-out facility, and on-site ore handling plant (approved in the original proposal) to be constructed and used at the Orebody 24 Mine.	16-Nov-11
816	Albany Iron Ore Project – Southdown Magnetite Proposal mine, ore slurry and water pipelines, and port loading facilities, 90 kilometres east-north-east of Albany <i>Grange Resources Limited</i>	Change to waste dump footprint.	22-Nov-11
718	Gwindinup Mineral Sands Mine, Shire of Capel <i>Cable Sands (WA) Pty Ltd</i>	Increase the mine footprint, increase the amount of ore mined and change the mining period.	24-Nov-11
627	Koolyanobbing Iron Ore Expansion, Windarling Range and Mt Jackson, Shire of Yilgarn <i>Cliffs Asia Pacific Iron Ore Pty Ltd</i>	Change to Schedule 1, Key Proposal Characteristics Table.	13-Dec-11
862	Solomon Iron Ore Project <i>Fortescue Metals Group Limited</i>	Change to Schedule 1, Key Proposal Characteristics Table.	13-Dec-11

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
523	Yandicoogina Iron Ore Mine Railway, 90 kilometres north-west of Newman, Hamersley Range <i>Hamersley Iron Pty Ltd</i>	To increase the site footprint by 225ha, to allow for additional ore stockpiles and associated infrastructure (within the proposed footprint increase area), to set an updated footprint figure for the site, and adjust the site maximum mining rate to 36Mt/a.	15-Dec-11
840	Cape Lambert Port B Development, Shire of Roebourne <i>Pilbara Iron Pty Ltd</i>	Additional dredging – increase in “large dredge area” and “tug harbour dredge area” (replaced Figure 5, Table 4 and Key Characteristics Table.	22-Dec-11
476	Rare Earths Mining and Beneficiation at Mt Weld, Laverton, and Secondary Processing at Meenaar, near Northam <i>Mt Weld Mining Pty Ltd</i>	Mt Weld Rare Earths Project Stage 2 Expansion of Operations – increase in production and associated additional infrastructure.	11-Jan-12
606	Telfer Project, Expansion of Telfer Gold Mine, Great Sandy Desert <i>Newcrest Mining Limited</i>	To increase disturbance impacts, by clearing an additional 11.5 hectares for extension of the existing staggers borefield, and increase to ore production, processing throughput and water supply.	11-Jan-12
715	Koolan Island Iron Ore Mine and Port Facility, Shire of Derby-West Kimberley <i>Mount Gibson Iron Limited</i>	Increase in groundwater abstraction from 75 kilolitres per day to 120 kilolitres per day of fresh water from existing bores, for potable use.	11-Jan-12
844	Macedon Gas Development, Shire of Ashburton <i>BHP Billiton Petroleum</i>	Offshore pipeline realignment and change to water supply.	17-Jan-12
506	Murrin Murrin Nickel-Cobalt Project Stage 2 Expansion, 60 km east of Leonora <i>Minara Resources Ltd</i>	Changes to Schedule 1, Key Characteristics Table relating to the continued operation of the Heap Leach Facility allowing ore processing to remain at 0.5 Mtpa for ‘life of mine’	24-Jan-12
514	West Angelas Iron Ore Project, Shires of East Pilbara, Ashburton and Roebourne <i>Robe River Mining Company Pty Ltd</i>	Deepening of existing pits and addition of Pit E.	30-Jan-12

Appendix 2 - Section 45C approved changes to proposals

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
824	Roy Hill 1 Iron Ore Mining Project Stage 1, 110 Kilometres North of Newman, Shire of East Pilbara Roy Hill Iron Ore Pty Ltd	Change to mining schedule, location of key infrastructure, groundwater drawdown figure and coordinates (this attachment replaces Figure 2, Figure 3, Figure 4 and Figure 5 of Schedule 1, and the table of GIS coordinates in Schedule 2).	3-Feb-12
829	Roy Hill 1 Iron Ore Mining Project Stage 2, 110 km North of Newman, Shire of East Pilbara Roy Hill Iron Ore Pty Ltd	Change to mining schedule, location of key infrastructure, groundwater drawdown figure and coordinates (this attachment replaces Figure 2, Figure 3 and Figure 5 of Schedule 1).	3-Feb-12
786	Extension Hill haematite haulage, road and rail siding, Shires of Perenjori and Yalgoo Mount Gibson Mining Limited	Increased Rail Siding stockpile capacity and water use for dust suppression, and increased variability in train movements per day.	14-Feb-12
591	Boddington and Hedges Gold Mines, Shire of Boddington Newmont Boddington Gold Pty Ltd	Increase to project disturbance area (by 29 ha – including 13.81 ha of state forest), increase to crushing infrastructure, modifications to the existing Thirty-four Mile Brook diversion and North Clear Water Pond, and change to chemical resource consumption.	24-2-12
730	Expansion of Jurien Gypsum Mining Operation ML70/1161, Shire of Dandaragan CSR Building Products Ltd (T/A CSR Gyprock Fibre Cement)	Change to mining method, increase to quantity of material mined per year.	12-Mar-12
840	Cape Lambert Port B Development, Shire of Roebourne Pilbara Iron Pty Ltd	Additional clearing – additional 46 ha of terrestrial clearing. Inclusion of Figure 7 depicting Terrestrial Component of the Proposed Footprint.	28-Mar-12
707	Pilbara Iron Ore Infrastructure Project: East-West Railway Mine Sites Stage B Fortescue Metals Group Limited	Construction of additional rail infrastructure. Construction of an access/transport route between the Christmas Creek mine site and Marble Bar Road, as shown in Figure 8 (this replaces the section of road between the Christmas Creek mine site and Marble Bar Road depicted in Figure 3 of Attachment 1); and removal of production rate from Key Characteristics Table.	28-Mar-12

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
131	Brockman No. 2 Detrital Iron Ore Mine <i>Hamersley HMS Pty Limited</i>	Further development of parts of the existing Pit 5, 6 and 7 above the watertable; increase in surface disturbance areas for topsoil stockpiling and a new surface waste dump adjacent to the mine pits. This change is referred to as the Sustaining Tonnes Project.	28-Mar-12
854	Hope Downs 4 Iron Ore Mine, Shire of East Pilbara <i>Hamersley HMS Pty Limited</i>	Realignment of the infrastructure corridor and the Kalgan Creek excess water pipeline realignment, and re-development and relocation of two existing groundwater bores.	28-Mar-12
741	Cape Lambert upgrade – increase in throughput to 85 million tonnes per annum, Shire of Roebourne <i>Robe River Iron Associates</i>	Linkage proposal - Increase in throughput from 85 Mtpa to 105 Mtpa and additional infrastructure. Inclusion of Figure 3 – Indicative Layout of the Linkage.	4-Apr-12
658	Clay Excavation Lots 10, 11 and part lot 36 Great Northern Highway, Upper Swan <i>Metro Brick Bristle Clay Tiles Pty Ltd</i>	Redefine Lees Pit boundary from lots 10, 11 and part lot 36 to lot 201 as seen in figure 3.	16-Apr-12
837	Bluewaters Power Station Expansion – Phase III and Phase IV, Shire of Collie, Shire of Dardanup, Shire of Harvey <i>Griffin Power Pty Ltd</i>	Figure 5 of Statement 837 is replaced and superseded by Figure 6.	18-Apr-12
584	Hope Downs Iron Ore Mine, 75km North-West of Newman, Pilbara Region <i>Hamersley Hope Management Services Pty Ltd</i>	Remove Weeli Wolli Spring supplementation limit in Schedule 1.	20-Apr-12
719	Worsley Alumina - Production to Maximum Capacity of 4.4 Mtpa Alumina and Associated Mining <i>BHP Billiton Worsley Alumina Pty Ltd</i>	Change to Sulphur Dioxide and Carbon Monoxide emissions.	30-Apr-12
859	South West Creek Dredging and Reclamation Project <i>Port Hedland Port Authority</i>	Realignment of the access track between Utah Point Road and the dredging area, and associated changes to the zone of permanent mangrove loss	2-May-12

Appendix 2 - Section 45C approved changes to proposals

Statement number	Proposal title <i>Proponent</i>	Variation	Approval date
605	Telfer Project, Power Supply & infrastructure Corridor, Port Hedland to Telfer Gold Mine, Great Sandy Desert <i>Newcrest Mining Limited</i>	Consolidation and Amendment of Key Characteristics Table Option 1a (Supplying natural gas from Port Hedland via a buried pipeline to the Telfer Gold Mine for on-site electricity generation at a new open cycle gas fired power plant)	2-May-12
775	Pardoo Iron Ore Mine and Direct Shipping from Port Hedland – Shire of East Pilbara and Town of Port Hedland <i>Atlas Iron Limited</i>	Increase the volume of annual dewatering and environmental discharge from 2 GL per annum to 4.0 GL per annum	24-May-12
880	Cape Lambert to Emu Siding Rail Duplication <i>Rio Tinto Iron Ore</i>	Realignment of the originally proposed rail duplication.	19-Jun-12
805	Karara Iron Ore Project, 215 Kilometres east-southeast of Geraldton and 320 kilometres north-northeast of Perth, Shire of Perenjori <i>Karara Mining Limited</i>	Increase in disturbance area to allow for increased waste dump area, rail loop and airstrip clearing	21-Jun-12
715	Koolan Island Iron Ore Mine and Port Facility, Shire of Derby – West Kimberley <i>Mount Gibson Iron Limited</i>	Increase to Disturbance Footprint from 590 ha to 650 ha.	21-Jun-12
852	Carina Iron Ore Mine, approximately 60 kilometres north-east of Koolyanobbing, Shire of Yilgarn <i>Polaris Metals Pty Ltd</i>	Changes to clearing areas and project boundaries associated with the Rail Siding, Haul Road, and new Powerline Corridor.	28-Jun-12

Appendix 3 - Other publications

Environmental Assessment Guidelines

EAG 1 - *Defining the key characteristics of a proposal*, May 2012

EAG 2 - *Changes to Proposals after Assessment - Section 45C of the Environmental Protection Act 1986*, August 2011

EAG 7 - *Marine Dredging Proposals*, September 2011

Post Assessment Guidelines

PAG 1 - *Preparing an Audit Table*, February 2012

Environmental Protection Bulletins

EPB 14 - *Guidance for the assessment of benthic primary producer habitat loss in and around Port Hedland*, August 2011

EPB 15 - *Hydraulic fracturing of gas reserves*, September 2011

EPB 16 - *Minor or preliminary works or investigation work*, December 2011

EPB 17 - *Strategic and derived proposals*, February 2012

EPB 18 - *Sea level rise*, June 2012

Marine Technical Reports

MTR 4 - *Petroleum hydrocarbon content of shoreline sediment and intertidal biota at selected sites in the Kimberley bioregion, Western Australia*, March 2012

MTR 6 - *Background concentrations of selected metals and total suspended solids in the coastal waters of the Kimberley Region*, April 2012

Factsheets

Western Swamp Tortoise - Frequently Asked Questions, February 2012

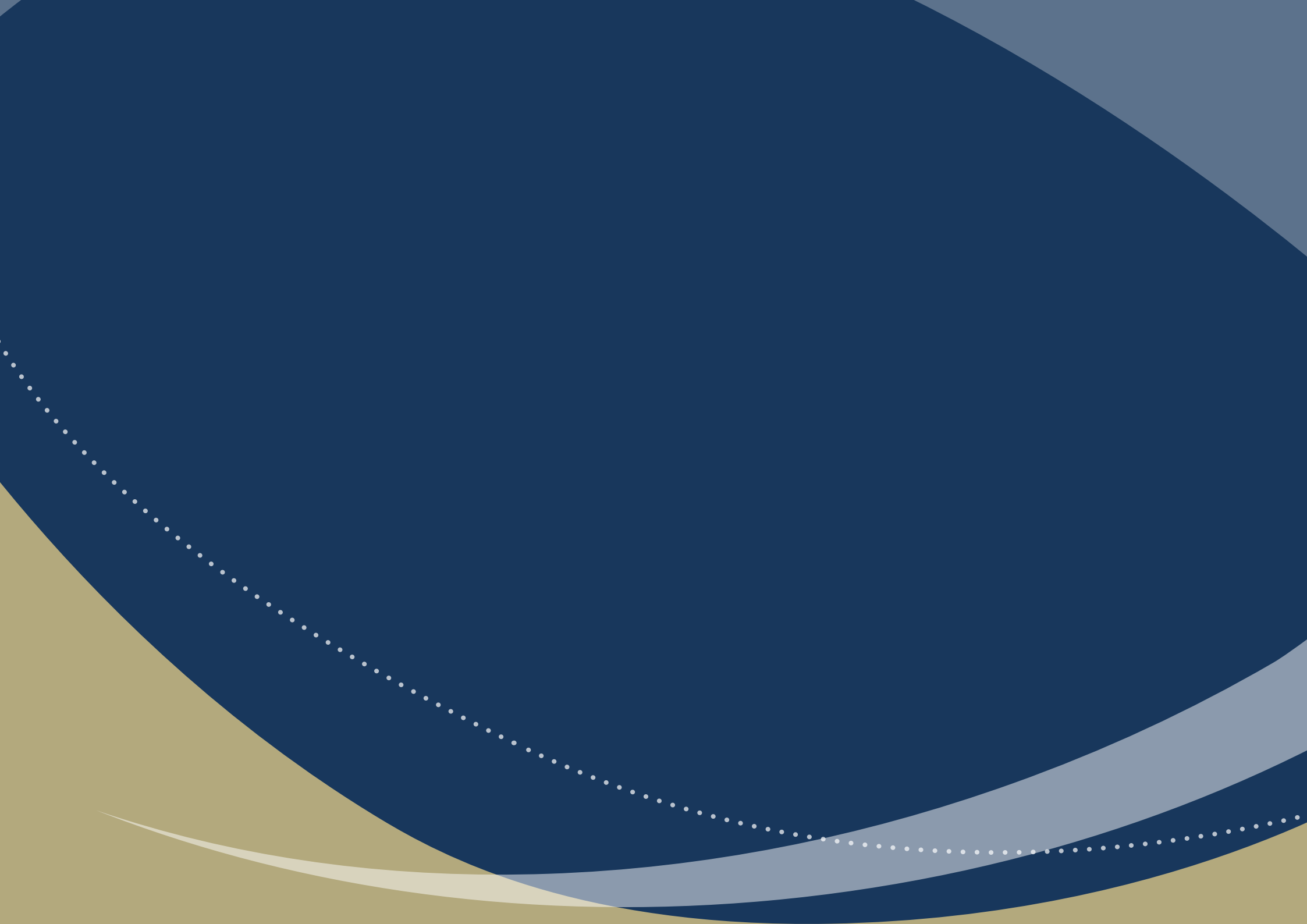
Miscellaneous

A review of subterranean fauna assessment in Western Australia - Discussion paper, February 2012

Cost recovery for approvals processes - InfoSheet, June 2012

Appendix 4 - Acronyms

API A	Assessment on Proponent Information (Category A)
API B	Assessment on Proponent Information (Category B)
DEC	Department of Environment and Conservation
DMA	Decision-making authority
DMP	Department of Mines and Petroleum
DoW	Department of Water
EAG	Environmental Assessment Guideline
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EP Act	Environmental Protection Act 1986
EPA	Environmental Protection Authority
EPB	Environmental Protection Bulletin
EPP	Environmental Protection Policy
ERMP	Environmental Review and Management Programme
FOI	Freedom of Information, as defined under the <i>Freedom of Information Act 1992</i>
FMP	Forest Management Plan 2004–2013
KPI	Key Performance Indicator
LNG	Liquified natural gas
LOA	Level of Assessment
OEPA	Office of the Environmental Protection Authority
PER	Public Environmental Review
SEA	Strategic Environmental Assessment
SEAK	Shared Environmental Assessment Knowledge
SRG	Stakeholder Reference Group



*Main image:
Western Australia's
Pilbara Region.*

*During 2011–12, the
EPA assessed and made
recommendations on twelve
iron ore mining and
infrastructure proposals in
the Pilbara. Predicted future
expansion in iron ore mining
in the region has led to a
need to consider cumulative
impacts more consistently
and is the subject of an
OEPA project looking at a
more strategic approach to
the assessment of Pilbara
iron ore mines.*

