

**EPBC ACT ENVIRONMENTAL OFFSETS POLICY –
WESTERN POWER SUBMISSION**



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1 Introduction

Western Power supports the Department of Sustainability, Environment, Water, Population and Communities (SEWPAC)'s objective to ensure that offsets deliver high quality conservation outcomes for matters protected under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Western Power welcomes the intention to provide greater transparency and consistency in the application of offset requirements for projects assessed under the EPBC Act.

2 Comments on Consultation Draft

2.1 Types of Offsets

Western Power is broadly supportive of the descriptions of direct and indirect offsets, however consider that enhancing habitat quality or reducing threats to the protected matter should be included as direct offsets, albeit with a reduced number of 'offset points' allocated via the "Offsets Calculator" in the Environmental Assessment Guide.

Western Power contends that removal and rehabilitation of assets from an area of national environmental significance should also be eligible to create an offset credit.

2.2 Offset requirements

Western Power supports the principles described in Box 1: Offset requirements of the consultation draft.

Western Power does not agree that an improved overall conservation outcome is not achieved by an offset that 'simply increases the amount of habitat or ecological community that is *protected* by covenant or other mechanism. Management of the protected matter may be included via the inclusion, for example, in the conservation estate. Western Power contends that protection of habitat or an ecologically community removes the risk of a key threatening process i.e. land clearing for development.

Consistency must be achieved between the definitions of direct and indirect offsets across jurisdictions.

2.3 Suitable Offsets

Western Power considers, if the proposed Environmental Offset Guide is successfully developed and implemented, the requirement for "offsets-to-impact" ratio should become obsolete: that is, the ration should be 1:1.

For example, if the Offsets Guide allocates a high number of "Impact Points" via application of the impacts calculator, then a suitable number of "Offset Points" will be required to offset the impact – another layer of ratios should not be applied as the size and scale of the impact, the level of statutory protection of the affected species or community, and the risks of the offset not succeeding should all be factored into the allocation of Impact and Offset Points.

In addition, the 'equal or greater' requirement should be removed, as the number of impact points allocated should reflect the expected offset requirement. Retention of the 'or greater' element retains a component of policy which is arbitrary and lends itself to differing interpretation.

The further development of the Environmental Offset Guide has the potential to significantly enhance the transparency, consistency and fairness of offset requirements.

2.4 Requirements of Offsets Decision Making

Western Power is supportive of the requirements that offset proposals and monitoring require clearly articulated measures of success.

While Western Power accepts that management of the offset must occur beyond the life of the project, more clarity is required regarding expectations of ongoing monitoring and reporting. It is inconsistent with other forms of post-closure liability to have the proponent retain liability in perpetuity. Once some level of completion criteria are met, it should be suitable to transfer ownership and management to a third party, whether Government or a private entity without an ongoing reporting requirement.

Additionally, in considering reasonable completion criteria and proof of the durability of an offset, disincentives to secure offsets on private land in favour of those which will be included in the conservation estate should be avoided, as there may be cases where these may yield a superior conservation benefit.

2.5 Interactions with other legislation and schemes

Western Power notes that the recently released WA Offset Guidelines (<http://www.epa.wa.gov.au/EPADocLib/WAEnvOffsetsPolicy-270911.pdf>) foreshadows the development of an offsets register. Western Power would expect a high level of cooperation amongst all jurisdictions to ensure compatibility or, if possible the use of one offset register to meet both State and federal requirements.

