



Government of **Western Australia**
Department of **Water and Environmental Regulation**

Review of the Western Australian environmental offsets framework

Implementation plan for review recommendations

Department of Water and Environmental Regulation

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1 Introduction

In 2019, the Department of Water and Environmental Regulation (the department) undertook a review of the Western Australian environmental offsets framework, which comprises the WA environmental offsets policy (2011), guidelines (2014) and register (2013).

The purpose of the review was to assess the effectiveness of the framework and its implementation in delivering its objectives and to make recommendations for improvement. The review focused on environmental assessment and compliance processes as they relate to environmental offsets and the implementation of offset conditions.

The projects described in this plan focus on issues raised during the review and includes other related reforms and initiatives where there have been significant developments after completion of the review, including:

- amendments to the *Environmental Protection Act 1986* (EP Act), which received Royal Assent in November 2020 and are being proclaimed in a staged approach
- proposed reforms to the management of native vegetation¹
- the WA Recovery Plan² response to COVID-19 and the associated Green Jobs Plan
- the Australian National Audit Office (ANAO)³ performance audit
- the independent review of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) final report⁴ and proposed legislative changes
- negotiations of assessment and approval bilateral agreements under the EPBC Act.

Each project identifies where related initiatives will be considered (see Tables 1, 2 and 3).

The review report recommended improvements to the existing framework. Feedback from the Environmental Protection Authority (EPA) and in public submissions on the native vegetation issues paper¹ proposed a broader evaluation of environmental offsets, including seeking more strategic outcomes. The roadmap for the draft native

¹ Department of Water and Environmental Regulation (2019), *Native Vegetation in Western Australia Issues paper for public consultation*, Department of Water and Environmental Regulation, Perth; Department of Water and Environmental Regulation (2021), *Consultation draft Native vegetation policy for Western Australia* Department of Water and Environmental Regulation, Perth

² Government of Western Australia (2020), *WA Recovery Plan*, Department of Premier and Cabinet, Perth.

³ Australian National Audit Office (2020), *Referrals, Assessments and Approvals of Controlled Actions under the Environment Protection and Biodiversity Conservation Act 1999*, Australian National Audit Office, Canberra.

⁴ Samuel, Graeme (2020), *Independent Review of the EPBC Act – Final Review*.

vegetation policy for WA suggests that this should enable flexibility and clarity, encourage rehabilitation and revegetation, and ensure offsets contribute to strategic regional priorities. This will be addressed during updates the WA Environmental Offset Policy (refer to Project 3 in Table 2).

Many other actions identified in the roadmap for the draft native vegetation policy are aligned with the projects in this plan. More detailed planning for individual projects will be undertaken, including for the draft native vegetation policy roadmap actions, once finalised.

2 Role of the implementation plan

This plan outlines the objectives, deliverables, timing, and roles and responsibilities for a series of projects designed to implement review recommendations. This implementation plan has been prepared in consultation with government, industry and conservation stakeholders.

Further consultation will also occur during project planning and implementation. This includes targeted consultation with key stakeholders and public consultations on significant reforms.

The final review report outlines 25 recommendations (see Appendix A) to improve the effectiveness of the environmental offsets framework. These recommendations will be implemented through the 10 projects shown in Figure 1.

Projects are categorised as follows:

- Ongoing – As part of improving regulatory performance, the department seeks to continuously improve programs and processes. The projects categorised as ongoing are those which can be implemented using existing or planned initiatives and can be commenced immediately.
- Short term – Already commenced or to commence within one year.
- Medium term – To commence within three years.

This project plan uses a standardised project management approach to describe the roles and responsibilities of agencies in implementing the projects:

- Responsible – Agency which will undertake and/or lead the project.
- Accountable – Agency which owns the project and is ultimately accountable. In this plan, DWER has both responsibility and accountability roles.
- Consult – Agencies and other stakeholders who will be asked to provide input on the project.
- Inform – Agencies and other stakeholders will be updated on progress or decisions.

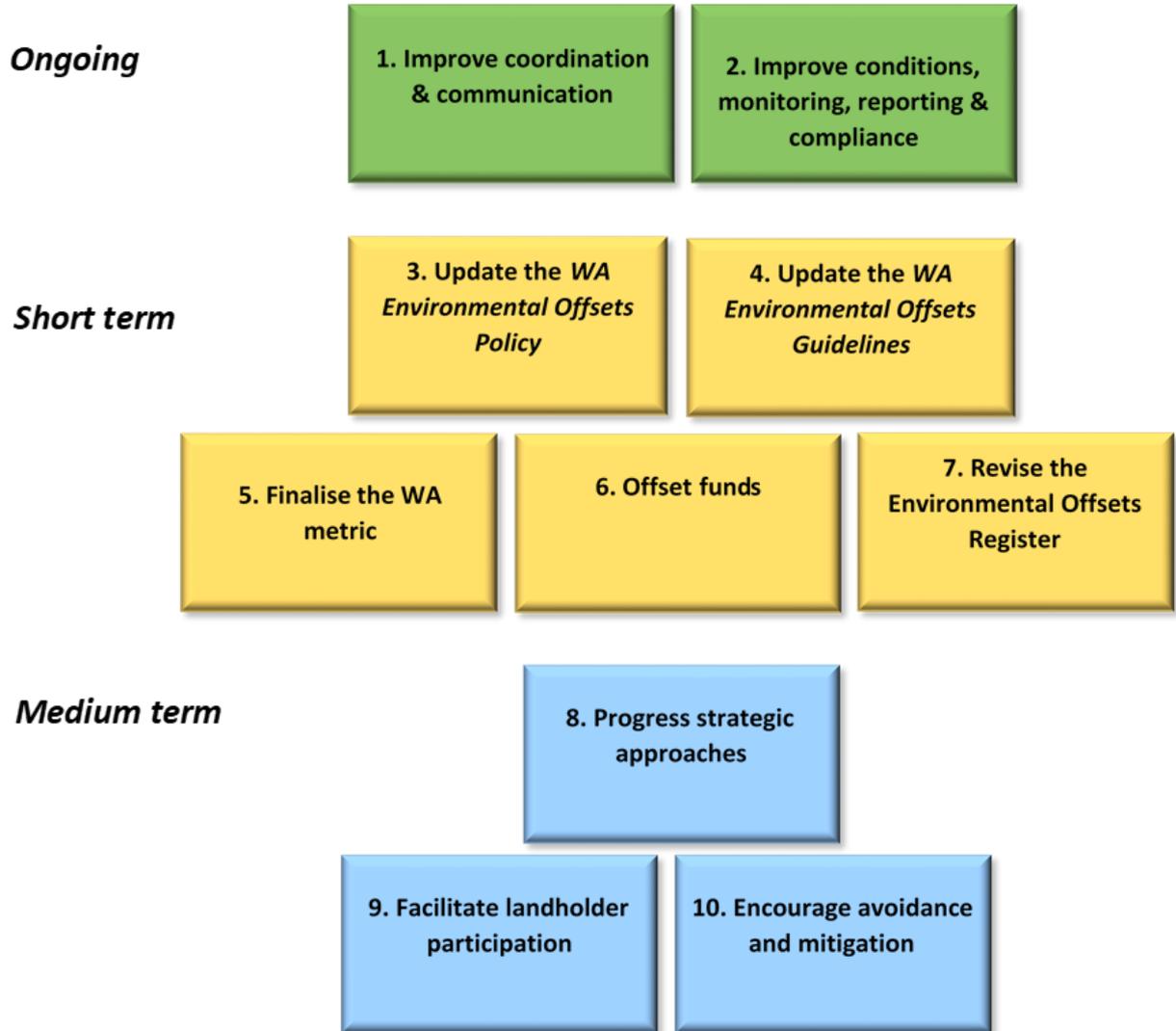


Figure 1: Projects to implement review recommendations⁵

⁵ Numbers against projects are for ease of reference only and do not reflect their priority or timing.

3 Projects to implement review recommendations

Table 1: Ongoing projects

Agency	Project	Indicative timing	Recommendations
<p>Responsible/ accountable: DWER & Commonwealth Department of Agriculture, Water and the Environment</p> <p>Consult: DMIRS, DBCA and WAPC/ DPLH</p> <p>Inform: Intra-Government Steering Group & Stakeholder Working Group</p>	<p>Project 1. Improve coordination & communication</p> <p>Objective To improve coordination and communication within government on environmental offsets. To progress assessment and approval bilateral agreements to improve coordination and communication between State and Commonwealth agencies.</p> <p>Deliverables 1.1 Improvements to offset coordination and communication within government. This will consider the need for:</p> <ul style="list-style-type: none"> • whole-of-government agreement on land acquisition for the conservation estate • whole-of-government agreement on measures in the extensive land use zone • ensuring appropriate offsets are available, particularly for cases where offset design will be finalised after approval has been granted or contributions made to the Part V fund. <p>Indicative milestones</p> <ul style="list-style-type: none"> • Mechanism to improve coordination and communication within government on environmental offsets to be developed in consultation with stakeholders. • Assessment and/or approval bilateral agreements in place. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • Draft native vegetation policy and roadmap. • Negotiation of WA/Commonwealth bilateral agreements. 	<p>Commencement Immediate</p> <p>Duration Ongoing</p>	<p>8, 11</p>

Agency	Project	Indicative timing	Recommendations
<p>Responsible/ accountable: DWER</p> <p>Consult: DMIRS, DBCA, and OAC</p> <p>Inform: Intra-Government Steering Group & Stakeholder Working Group</p>	<p>Project 2. Offset conditions, monitoring, reporting and compliance</p> <p>Objective To improve offset conditions, monitoring, reporting and compliance information.</p> <p>Deliverables</p> <p>2.1 Improvements to conditions, monitoring, reporting and compliance so that:</p> <ul style="list-style-type: none"> • approval holders provide information on actions taken to address risks or unforeseen events that impact offset implementation • landscape-scale impacts are adequately addressed where they are part of the significant residual impacts • conditions are strengthened to improve enforceability • conditions allow monitoring of implementation through the use of tools such as satellite imagery • approval holders report on offset implementation and completion. This may include scientific evidence of outcome delivery. <p>2.2 Improvements to coordination and collaboration between officers with a role in offsets to ensure offset conditions are written in a manner which enables efficient and effective implementation and monitoring.</p> <p>2.3 DWER's annual compliance program includes reporting of offset compliance.</p> <p>Indicative milestones</p> <ul style="list-style-type: none"> • Strengthened mechanisms in place to improve offset conditions, monitoring, reporting and compliance information. • Mechanism to improve coordination and communication within government on environmental offsets, to be developed in consultation with government stakeholders. • DWER's annual compliance program includes reporting of offset compliance. 	<p>Commencement Immediate</p> <p>Duration Ongoing</p>	<p>7, 17, 18, 19, 20, 21</p>

Agency	Project	Indicative timing	Recommendations
	<p>Related reforms/initiatives:</p> <ul style="list-style-type: none">• Draft native vegetation policy and roadmap.• Negotiation of WA/Commonwealth bilateral agreements.• Issues identified in EPBC Act Review recommendations and ANAO performance audit to be addressed where relevant.		

Table 2: Short-term projects

Agency	Project	Indicative timing	Recommendations
<p>Responsible/accountable: DWER</p> <p>Consult: Intra-Government Steering Group, Stakeholder Working Group, EPA, general public</p>	<p>Project 3. Update the WA Environmental Offset Policy</p> <p>Objective To revise the policy to improve clarity, consistency and currency.</p> <p>Deliverables 3.1 The policy be amended to:</p> <ul style="list-style-type: none"> • be consistent with the offsets guidelines, to reflect that offsets are not appropriate for impacts which are environmentally unacceptable or where no offset can be applied to reduce the impact • reference the <i>Biodiversity Conservation Act 2016</i> • remove references to the <i>Planning and Development Act 2005</i> and <i>Mining Act 1978</i> • revise the definition of environmental offsets for consistency between the policy and guidelines • more clearly state that an offset should achieve results above and beyond those that would have been achieved in the absence of the offset, which may include adding a new principle on additionality • include completion and publication of a regular broad review of the offsets framework and its implementation in achieving environmental outcomes. <p>Indicative milestones</p> <ul style="list-style-type: none"> • Preliminary draft policy for targeted consultation with government, industry and conservation organisations. • Release of draft policy for public consultation. • Finalise and implement revised policy. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • Draft native vegetation policy and roadmap. • Negotiation of WA/Commonwealth bilateral agreements. 	<p>Commencement Short term</p> <p>Duration 12 months</p>	<p>3, 12, 13, 22, 25</p>

Agency	Project	Indicative timing	Recommendations
<p>Responsible/ accountable: DWER</p> <p>Consult: Intra-Government Steering Group, Stakeholder Working Group, EPA</p>	<p>Project 4. Update the WA Environmental Offsets Guidelines</p> <p>Objective Consistent with updates to the WA Environmental Offsets Policy (Project 3), revise the guidelines to improve clarity and provide additional information.</p> <p>Deliverables 4.1 Revision of the guidelines to provide:</p> <ul style="list-style-type: none"> • clearer guidance on avoidance and mitigation of impacts during project implementation • clarity that assessment of cost-effectiveness should ensure the required environmental benefit is achieved • additional information and worked examples which demonstrate the application of like-for-like and like-for-similar in the intensive and extensive land use zones • additional information on strategic approaches, including considering: <ul style="list-style-type: none"> ○ selective offsets (e.g. acquisition of land that connects or builds scale to existing vegetation) ○ different tenures and levels of security ○ inclusion of worked examples to demonstrate how to apply this principle ○ how to measure success of strategic offsets versus standalone offsets. <p>Indicative milestones</p> <ul style="list-style-type: none"> • Preliminary draft guideline for targeted consultation with government, industry and conservation organisations. • Release of draft guidelines for public consultation. • Finalise and implement revised guidelines. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • Draft native vegetation policy and roadmap. • Negotiation of WA/Commonwealth bilateral agreements. 	<p>Commencement Short term</p> <p>Duration 12 months</p>	<p>2, 4, 6, 9, 14</p>

Agency	Project	Indicative timing	Recommendations
<p>Responsible/ accountable: DWER</p> <p>Inform (WA metric): Intra-Government Steering Group, Stakeholder Working Group, EPA</p> <p>Consult (additional guidance): Interested stakeholders, Commonwealth Department of Agriculture, Water and the Environment</p>	<p>Project 5. Finalise the WA metric</p> <p>Objective To finalise development of a metric for WA biodiversity values and develop additional guidance on metric inputs. This priority project was progressed during COVID-19.</p> <p>Deliverable 5.1 Finalise the draft WA offsets metric (including a calculator and associated guideline) having regard to the findings of this review, particularly recommendations regarding relevance, proportionality and biodiversity values.</p> <p>Indicative milestones</p> <ul style="list-style-type: none"> • Publish WA offsets metric (including a calculator and associated guideline), including a review of implementation after 12 months. • Develop and publish additional guidance on metric inputs. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • WA/Commonwealth bilateral agreements. • Draft native vegetation policy and roadmap. 	<p>Commencement Commenced – publication of WA offsets metric in the short term following release of draft implementation plan</p> <p>Duration 12 months</p>	<p>5, 16</p>
<p>Responsible/ accountable: DWER</p> <p>Consult: DBCA, EPA</p> <p>Inform: Intra-Government Steering Group</p>	<p>Project 6. Offset funds</p> <p>Objective To improve governance and operation of offset funds and establish review processes for calculating contributions.</p> <p>Deliverables 6.1 Improved governance and operational arrangements of the Part V fund, including consideration of:</p>	<p>Commencement Commenced</p> <p>Duration 12 months</p>	<p>16, 24</p>

Agency	Project	Indicative timing	Recommendations
& Stakeholder Working Group	<ul style="list-style-type: none"> • improved reporting on fund performance • improved mechanisms for inter-agency coordination • use of interest earned on fund contributions • options to assist in the identification of land with relevant values for acquisition, in consultation with the future land manager. <p>6.2 Establish a process for regular review and update of operational procedures for calculating contributions to the Part V fund</p> <p>6.3 Establish a process for regular review and update of methods for calculating contributions to the Pilbara Environmental Offsets Fund.</p> <p>Indicative milestones</p> <ul style="list-style-type: none"> • Governance framework for the Part V fund developed and implemented, including improved reporting of fund performance. • Establish mechanisms for inter-agency coordination and options to assist in identification of land developed. • Revised Part V fund operational procedure developed and implemented. • Establish methodology for review of calculating contributions to the Pilbara Environmental Offsets Fund. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • Green Jobs Plan (Environmental Revegetation and Rehabilitation Fund and Pilbara Environmental Offsets Fund). • Draft native vegetation policy and roadmap. • Development of regulations for offsets funds will occur during implementation of the EP Act amendments. 		
<p>Responsible/ Accountable: DWER</p> <p>Inform: Intra-Government</p>	<p>Project 7. Revise the Environmental Offsets Register</p> <p>Objective Improve the display, function and content of the Environmental Offsets Register during the development of Environment Online.</p> <p>Deliverable 7.1 Revised offset register with improved display, function and content.</p>	<p>Commencement Commenced</p> <p>Duration 12 months</p>	15

Agency	Project	Indicative timing	Recommendations
Steering Group, Stakeholder Working Group, general public	<p>Indicative milestones</p> <ul style="list-style-type: none"> Revised Environmental Offsets Register publicly accessible. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> Draft native vegetation policy and roadmap. 		

Table 3: Medium-term projects

Agency	Project	Indicative timing	Recommendations
<p>Responsible/ Accountable: DWER</p> <p>Consult: Intra-Government Steering Group & Stakeholder Working Group</p>	<p>Project 8. Progress strategic approaches at a regional level</p> <p>Objective To ensure offsets are aligned with regionally significant and/or landscape-scale environmental objectives during the development of a native vegetation policy and associated reform initiatives.</p> <p>Deliverable 8.1 Development of bioregional plans to support design and implementation of offsets that align with regionally significant and/or landscape-scale environmental objectives.</p> <p>Indicative milestone.</p> <ul style="list-style-type: none"> • Develop overarching plan for a regionally tailored approach in consultation with government, industry and conservation organisations. • Develop bioregional plans, in consultation with government, industry and conservation organisations. <p>Related reforms/initiatives:</p> <ul style="list-style-type: none"> • Draft native vegetation policy and roadmap. 	<p>Commencement Medium term</p> <p>Duration 12 months for development of overarching plan</p>	<p>10</p>
<p>Responsible/ Accountable: DWER</p> <p>Consult: Intra-Government Steering Group, Stakeholder Working Group, general public</p>	<p>Project 9. Encourage avoidance and mitigation</p> <p>Objective Encourage approval holders to avoid and mitigate impacts during project planning and implementation</p> <p>Deliverable 9.1 Investigate options to provide incentives for approval holders to reduce their impact during project planning and implementation, and address circumstances where projects do not proceed.</p> <p>Indicative milestones</p> <ul style="list-style-type: none"> • Develop discussion paper for public consultation. 	<p>Commencement Medium term</p> <p>Duration 6 months</p>	<p>1</p>

Agency	Project	Indicative timing	Recommendations
	Related reforms/initiatives: <ul style="list-style-type: none"> Draft native vegetation policy and roadmap. 		
Responsible/Accountable: DWER Consult: Intra-Government Steering Group, Stakeholder Working Group, general public	Project 10. Facilitate landholder participation Objective To investigate options to facilitate voluntary landowner participation in offsets. Deliverable 10.1 Options to facilitate voluntary landowner participation are investigated, in consultation with landowner groups, proponents and government. This includes consideration of: <ul style="list-style-type: none"> likely utilisation and preferred operation arrangements scoping of the requirements of an application to facilitate voluntary arrangements including governance arrangements, and IT requirements administration costs. Indicative milestones <ul style="list-style-type: none"> Develop options to facilitate landholder participation in offsets. Related reforms/initiatives: <ul style="list-style-type: none"> Draft native vegetation policy and roadmap. 	Commencement Medium term Duration 6 months	23

Appendix A – Recommendations of the WA environmental offsets review

<i>It is recommended that:</i>		Project addressing the recommendation
1	Further work be undertaken on incentives for approval holders to reduce their impact during project planning and implementation, and address circumstances where projects do not proceed.	9
2	The offsets guidelines provide clearer guidance on avoidance and mitigation of impacts during project implementation.	4
3	The offsets policy be amended to be consistent with the offsets guidelines, to reflect that offsets are not appropriate for impacts which are environmentally unacceptable or where no offset can be applied to reduce the impact.	3
4	The offsets guidelines be revised to clarify that assessment of cost-effectiveness should ensure the required environmental benefit is achieved.	4
5	The draft WA environmental offsets metric, including the calculator and associated guideline, be finalised having regard to the findings of this review, particularly recommendations regarding relevance, proportionality and biodiversity values.	5
6	Additional information and worked examples be provided in the offsets guidelines demonstrating the application of like-for-like and like-for-similar in the intensive and extensive land use zones.	4
7	Reporting conditions be improved to require approval holders to provide information on actions taken to address risks or unforeseen events that impact on offset implementation.	2
8	Improved processes be developed for whole-of-government agreement on land acquisition for the conservation estate, or measures in the extensive land use zone.	1

<i>It is recommended that:</i>		Project addressing the recommendation
9	The offsets guidelines be revised to include additional information on strategic approaches, including considering: <ul style="list-style-type: none"> selective offsets (e.g. acquisition of land that connects or builds scale to existing vegetation) different tenures and levels of security inclusion of worked examples to demonstrate how to apply this principle how to measure success of strategic offsets versus standalone offsets. 	4
10	Bioregional plans be developed to support development and implementation of offsets that align with regionally significant and/or landscape-scale environmental objectives.	8
11	Mechanisms and processes to ensure appropriate offsets are available to be developed and improved, particularly for cases where offset design will be finalised after approval has been granted or contributions made to the Part V fund.	1
12	The offsets policy and guidelines be updated to: <ul style="list-style-type: none"> reference the <i>Biodiversity Conservation Act 2016</i> remove references to the <i>Planning and Development Act 2005</i> and <i>Mining Act 1978</i>. 	3
13	The offsets policy and guidelines be revised to ensure the definition of environmental offsets is consistent.	3
14	The offsets guidelines be revised as recommended in this review. This includes the addition of more worked examples.	4
15	The display, function and content of the offsets register be reviewed, taking into consideration user feedback.	7
16	The operational procedures and methods for calculating offset fund contributions, including the Part V fund and the Pilbara Environmental Offsets Fund, are regularly reviewed and updated.	5, 6
17	The assessment process ensures that offsets adequately address landscape-scale impacts where they are part of the significant residual impacts.	2
18	Offset conditions be strengthened to improve enforceability and allow monitoring of implementation through the use of tools such as satellite imagery.	2
19	Coordination and collaboration between officers with a role in offsets be improved to ensure offset conditions are written in a manner which enables efficient and effective implementation and monitoring.	2

<i>It is recommended that:</i>		Project addressing the recommendation
20	Conditions for approval holders to report on offset implementation and completion be included in all approvals. This may include scientific evidence of outcome delivery.	2
21	The department's annual compliance program includes reporting of offset compliance.	2
22	A regular broad review of the offsets framework and its implementation in achieving environmental outcomes be undertaken and published.	3
23	Options to facilitate voluntary landowner participation in offsets be investigated in consultation with landowner groups, proponents and government.	10
24	Work be undertaken to improve governance and operational arrangements of the Part V fund, including consideration of: <ul style="list-style-type: none"> – improved reporting on fund performance – improved mechanisms for inter-agency coordination – use of interest earned on fund contributions – options to assist in the identification of land with relevant values for acquisition, in consultation with the future land manager – review and update of operational procedures. 	6
25	The offsets policy more clearly states that an offset should achieve results above and beyond those that would have been achieved in the absence of the offset. This may include adding a new principle on additionality. The offsets guidelines should be updated to ensure consistency with revisions to the policy.	3

Shortened forms

DBCA	Department of Biodiversity, Conservation and Attractions
DMIRS	Department of Mines, Industry Regulation and Safety
DWER	Department of Water and Environmental Regulation
OAC	Office of the Appeals Convenor
DPLH	Department of Planning, Lands and Heritage
WAPC	Western Australian Planning Commission
intensive land use zone (ILZ)	South-west of WA which has freehold land
extensive land use zone (ELZ)	Land is almost exclusively crown land overlain by pastoral leases and mining provinces