

## BIODIVERSITY OFFSETS POLICY

Minerals operations can impact on biodiversity values both within and surrounding the mining footprint. Biodiversity offsets are targeted actions implemented to compensate for significant residual impacts on biodiversity values, following the application of the 'avoid-minimise-mitigate' environmental management hierarchy. As minerals operations are constrained by the location of the target resource, biodiversity offsets are becoming an increasingly important consideration in project planning.

The MCA advocates for the development and application of biodiversity offset measures to compensate for significant residual impacts on biodiversity values, in accordance with the following principles:

- Offsets should only be considered after the 'avoid-minimise-mitigate' environmental management hierarchy has been applied;
- To promote continuous improvement, mine site rehabilitation should be recognised as either as a mitigation measure or credited as part of an offsets package;
- Offsets should not be an automatic requirement by regulatory agencies for all impacts;
- Offsets required through regulatory mechanisms should be limited to the proportion of residual losses that are significant in terms of biodiversity values, based on best available scientific evidence;
- In support of their social license to operate, many companies may voluntarily implement conservation programs. Offset requirements should be complementary to these initiatives;
- An equitable approach to offsets should be applied to all industries impacting on biodiversity values;
- Offsets should be strategically developed to ensure investments lead to the best value-for-money biodiversity outcomes across the landscape and any research provided should have scientific integrity and be directly relevant to conservation outcomes;
- Offset management requirements should be limited in duration and to the period where the offset commitment has been met;
- Marine offsets should be developed in co-ordinated and strategic manner aimed at long term improvements in biodiversity values or improved resilience of the marine environment;
- Offsets should be achieved by applying fit for purpose approaches including:
  - *Proponent managed*, where the proponent delivers and manages the offset utilising internal company resources;
  - *Third party delivery* where the proponent may enter into an arrangement with a suitable third party provider to deliver the offset requirement. This may include purchasing an existing offset through a 'biobank' or similar facility; and
  - *Financial based offsets* are contributions to a centralised trust or fund, administered by Government or other entity and used to achieve strategic environmental outcomes through targeted actions.
- Centralised offset funds should be sufficiently resourced, competently administered and monitored to ensure environmental outcomes are delivered and publicly reported;
- Offsets for significant residual impacts can include a package of 'direct' and 'indirect' measures, which must be flexible in their development and application and implemented over an appropriate timeframe;

- A range of different offset types should be considered, including:
  - *Direct offsets* provide on-ground protection or improved conservation outcomes for the impacted biodiversity values, including but not limited to legally securing land for conservation; and
  - *Indirect offsets* are a range of other measures that improve knowledge, understanding and management of the environment leading to improved conservation outcomes for the impacted biodiversity values.
- Where offset mechanisms are applied they should be:
  - Developed in a consistent, transparent, non-duplicative and contemporaneous manner across jurisdictions involved in the regulatory process;
  - Transparent in their calculation and development, including financial contributions;
  - Developed using the best available scientific information, and include declarations about assumptions that underpin the calculations;
  - Clear and certain in their expectations for implementation, monitoring and outcomes, including long-term management arrangements and liability for financial contingencies;
  - Recognise 'advanced offsets' such as relevant conservation activities undertaken prior to project development and impacts on the protected matter;
  - Provide for staged offset development or financial contribution with agreed timeframes;
  - Considerate of community expectations regarding the matter that is being offset; and
  - Clear in absolving the developer of reasonable responsibility in the delivery of outcomes when impacted by forces outside their control including natural variability, acts of god, wilful damage by third parties or government decisions that may impact on established offsets.

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