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Chapter 4 Environmental Offsets



Sherwin Iron (NT) Pty Ltd

Sherwin Creek Iron Ore Project

Environmental Impact Statement



2013



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4 Environmental Offsets Strategy

4.1 Offset Policy

This chapter provides an overview of the proponent's intentions with regard to offsetting environmental impacts and addressing the objectives of both State and Commonwealth offset policies.

Environmental offsets provide a mechanism for development to proceed while ensuring the environmental values that the policies are designed to protect, are conserved in the longer term. Offset policies are usually applied to development where all efforts to retain the existing environmental values have been demonstrated by the proponent.

This environmental offset strategy considers the estimated unavoidable impacts of the proposed project and includes an approach to find, secure and manage these offsets. The intention of this strategy is to provide Government and community with sufficient confidence that the proposed offset methodology will deliver suitable offsets to adequately compensate for unavoidable impacts associated with the project.

4.1.1 Northern Territory Government Environmental Offset Policy

At the present time, only draft guidelines (NTEPA 2013) are available for environmental offsets within the Northern Territory. These guidelines "seek lasting environmental, economic and social benefits by fostering coordination of offset/condition of approval requirements and voluntary application of the "licence to operate" concept". Specifically within the Northern Territory, environmental offsets can form part of the approval requirements imposed under the

- Commonwealth's *Environment Protection and Biodiversity Conservation Act* (EPBC Act)
- Section 37(5)(d) of the *Mining Management Act* (MMA)
- *Aboriginal Land Rights (Northern Territory) Act* (ALRA)
- *Native Title Act* (NTA).

4.1.2 Commonwealth Environment Offset Policy

The EPBC Act *Environmental Offsets Policy* (SEWPAC 2012) requires the offsetting of residual significant impacts on Matters of National Environmental Significance (MNES). Sherwin Iron invested early in ecological studies and into potential MNES issues and as a result are not required to provide offsets under the EPBC Act, as extensive biodiversity surveys have found no MNES present.

4.2 Offsets Planning

4.2.1 Public Consultation with relevant stakeholders

The Northern Territory draft guideline advises that proponents are urged to develop coordinated offsets/conditions packages in collaboration with all stakeholders.

Sherwin Iron is committed to developing a consultation process that will recognise all relevant stakeholders, so that a coordinate approach can be made to determine priorities for environmental offsets. Specifically this process will help to guide and rank the proposed Socio Cultural Offset Agreements.

In order to assess the options proposed for environmental offset, Sherwin Iron has undertaken a comprehensive stakeholder consultation process as part of the environmental impact assessment process for the Sherwin Creek Iron Ore Project.

This initial consultation has resulted in the proposed Socio Cultural Offsets with Traditional Owners.

4.2.2 Proposed Offset Selection Criteria

Once consultation has been completed Sherwin Iron will be required to assess its proposed offsets against the Northern Territory Guidelines for Environmental Offsets in order to determine if they meet the criteria required.

Northern Territory Government Offset Criteria

As the Northern Territory guidelines are in a draft stage, no specific criteria are available. The draft guidelines suggest that as proponents are often faced with multiple offset/approval condition requirements in relation to the following legislation, offsets requirements and conditions are amenable to achieving synergistic outcomes overall for the community as a whole. Therefore, proponents are urged to view offsets holistically and develop offsets packages in collaboration with all stakeholders.

- Commonwealth's *Environment Protection and Biodiversity Conservation Act* (EPBC Act)
- Section 37(5)(d) of the *Mining Management Act* (MMA)
- *Aboriginal Land Rights (Northern Territory) Act* (ALRA)
- *Native Title Act* (NTA).

4.3 Proposed Offset Options

Sherwin Iron has always been aware of the need to provide a range of offsets if this project were to develop. The social licence type offsets are a given and Sherwin Iron have already developed a solid working relationship with relevant Traditional Owners in an attempt to provide as many 'positive impacts' as possible.

4.3.1 Northern Territory Government Proposed Offsets

Socio Cultural Offset Agreements with Traditional Owners

The intent of this offset program is to provide appropriate resources to mitigate the potential negative social and cultural impacts of mining. Specifically, Sherwin Iron is committed to respecting the legitimate rights and interests of Aboriginal people living in the area. Aboriginal people and their respective communities see mining activities as an opportunity for immediate benefit, such as training and employment, but also as the basis for building a foundation for the communities for the future, by providing resources for the development and maintenance of the following potential activities:

- **Workforce Development:** through a strong commitment to train, educate and employ local people and in consultation with local communities, Sherwin Iron's action plans are developed so they ensure culturally appropriate and effective education and training is available. This allows local people to make the most of employment opportunities at Sherwin's operation.
 - Funding towards Training opportunities for Indigenous people.
- **Business development:** Sherwin Iron seeks to build capacity at community and regional level communities by assisting with development of sustainable businesses to provide goods and services to its operations, without impacting on their availability at the community level.
 - Funding towards Training opportunities for Indigenous people.

- **Community investment:** Sherwin Iron invests in projects that support community initiatives in development, education and literacy, youth, health and wellbeing.
 - Funding towards Education and Training opportunities for Indigenous people.
 - Funding toward Indigenous Youth Development Programs.
 - Funding towards improvement of Indigenous Health Programs.
 - Funding towards Indigenous Cultural Maintenance Programs.
 - Funding towards the formation and maintenance of Indigenous Ranger Groups.

By making funds available for some or all of the above, Sherwin Iron hopes to directly improve attitudes and overall way of life in communities that could be affected by the proposed development, and provide potential benefits far beyond the life of the mining activities.

4.4 Implementation Process

As discussed above, Sherwin Iron has developed a number of proposed offset options, which have been and will continue to be discussed with relevant stakeholders in order to develop priorities.

Sherwin Iron is committed to the implementation of an offset program for the project and will continue to progress with the stakeholder engagement process. Once local stakeholders have been informed and consulted, Sherwin Iron will directly consult with the Northern Territory Government concerning the development of an Offset Proposal that:

- Deliver's lasting environmental, economic and social benefits by fostering coordination of offset/condition of approval requirements.

4.4.1 Timeframe

This EIS and chapter on proposed offsets formally begins the wider consultation aspect associated with informing all potential stakeholders of the proposed offsets and allowing informed comment and input.

As the Traditional Owners of the land of and around the proposed mine site are the major stakeholders in the project, and the people identified to receive and/or be involved in or deliver many of the proposed offsets, they will require significant direct consultation regarding this offset package. This important obligation makes suggesting appropriate timeframes difficult due to a wide range of aspects associated with the remoteness of the site, the large numbers of people to consult, the workloads of the statutory bodies, such as the Northern Land Council (NLC), as well as the need to work consultations around social and cultural obligations.

These offset subjects have been introduced to the Traditional Owners and the NLC so informed decisions can be made when these specific consultations start in the near future.