Social impact assessment guideline

July 2013

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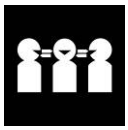
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1. Introduction

The purpose of an environmental impact statement (EIS) is to assess and report on a project's social, economic and environmental impacts and the measures proposed to avoid, manage, mitigate or offset the predicted impacts of the project. Impacts can be either positive (i.e. benefits and opportunities to capitalise on) or negative (i.e. adverse impacts to be managed).

In the *State Development and Public Works Organisation Act 1971* (SDPWO Act) and the *Environmental Protection Act 1994* (EP Act), the definition of 'environment' includes social impacts that affect people and communities. Consequently, social impact assessments (SIAs) are a component of the EIS process for assessing coordinated projects (resource and non-resource) under the SDPWO Act and resource projects under the EP Act. This guideline applies to projects assessed under either the SDPWO Act or the EP Act.

The Coordinator-General and the Department of Environment and Heritage Protection (DEHP) have streamlined the approval processes and reduced approval timeframes for the EIS. DEHP and the Coordinator-General have developed a generic terms of reference for all EIS process and a proponent service delivery charter which includes timelines for project assessment. The streamlined environmental impact assessment process focuses on high risk impacts and uses outcomes-focused measures, (not prescriptive conditions), to better manage the impacts of projects.

This guideline complements the streamlined environmental impact assessment process. It will assist proponents to assess the social aspect of their projects, promote a risk-based approach to social impact assessment and focus on outcomes to encourage innovative solutions to capitalise on social opportunities and mitigate detrimental impacts that may arise from the project.

The Coordinator-General's/DEHP delegate's preference is to recognise commitments that address social impacts that are directly related to the project. However, for coordinated projects being assessed under the SDPWO Act, the Coordinator-General may deem it necessary that outcome focused conditions are required for social impact measures. These conditions will be developed in consultation with the proponent and stakeholders.

This guideline emphasises the value of building long-term relationships between proponents, stakeholders and communities of interest who are directly affected by the project. This guideline informs relevant parties of their roles in the development and implementation of a SIA.

The guideline complements the Queensland Government's *A new approach to managing the impacts of major projects in resource communities July 2013*. This framework provides clarity on roles and responsibilities of industry, local government and government agencies in mitigating the social, economic and infrastructure impacts of resource development.

2. The EIS and SIA process

The EIS assessment processes, including the SIA, pursuant to the SDPWO Act and the EP Act are set out in Appendix 1 and Appendix 2 respectively.

Each project's terms of reference (TOR) includes a SIA. The Proponent Service Delivery Charter (an agreement between the proponent, the Office of the Coordinator-General (OCG)/ DEHP and, if applicable, the Australian Government) may establish further details of the components that the SIA should focus on, subject to their level of risk and impact.

Proponents should consult with OCG and DEHP about the guideline to ensure a consistent approach to its application. However the application of the guideline may vary because projects' social impacts vary on a case-by-case basis, depending on their extent and duration.

3. Core SIA principles

The following principles underpin this guideline:

- SIA will only assess impacts (both beneficial and detrimental) arising from the project and cumulatively with other developments in the region. Proponents are expected to mitigate impacts that are directly related to their project
- social impact mitigation incorporates the principles of adaptive management
- SIA covers the full lifecycle of the project to the extent possible
- SIA is based on the best data available
- SIA will identify strategies to capitalise on social opportunities and to avoid, manage, mitigate or offset the predicted impacts arising from the project
- communities of interest will be engaged in a meaningful way during the development of the SIA, recognising local knowledge, experience, customs and values. Community participation should continue across the project lifecycle.

4. Stakeholder roles

This guideline informs relevant parties on their roles in the development and implementation of a SIA.

Project proponents

- Prepare a SIA that identifies the social impacts and mitigation measures with a focus on those that are high risk, for the project lifecycle and that includes commitments for the project's construction and operational phases.
- Commit to continuous improvement in SIAs through recognised best practice as set out in tools such as those developed by the International Council on Mining and Metals (ICMM).
- Engage with the local community and interested stakeholders.

- Engage with state agencies on impacts and mitigation strategies.
- Engage with local governments on impacts and mitigation strategies.
- Engage with the community on impacts and mitigation strategies.
- Implement, monitor, review and report on mitigation strategies.
- Where practicable, provide data to the data portal led by the Queensland Government.
- Prepare commitments that are outcomes-focused and relevant to social impacts needing mitigation.

State agencies

- Provide information and data for the social baseline assessment.
- Review the proponent's SIA and assessment of impacts on state government services to the community during the EIS public consultation period and make a submission to the Coordinator-General/DEHP delegate as appropriate.
- Engage with proponents on strategies and commitments to mitigate impacts on state government services, acknowledging that it is not appropriate to seek funding to deliver core state government services beyond the impacts that are directly related to the project.
- Where the Coordinator-General deems it necessary that outcome focused conditions are required for social impact measures, provide draft outcomes-focused conditions relevant to their areas of expertise for consideration in the Coordinator-General's evaluation report on the project.
- DSDIP may play a key role in linking the proposed mitigation actions in the EIS to broader government programs.
- Provide data to the data portal led by the Queensland Government that informs SIA assessment and mitigation strategies.

Local governments

- Review and provide consistent information, data and advice for the social baseline assessment.
- Review and provide advice on the proponent's SIA and assessment of impacts on local government services to the community during the EIS public consultation period and make a submission to the Coordinator-General/DEHP delegate as appropriate.
- Engage and provide advice to proponents on strategies to mitigate these impacts on local government services.
- Represent local community groups as appropriate.

Non-government organisations

- Provide information and data for the social baseline assessment.
- Review the proponent's SIA and assessment of impacts on non government services to the community during the EIS public consultation period and make a submission, to the Coordinator-General/ DEHP delegate, as appropriate.

- Engage with proponents on strategies to mitigate these impacts on non-government services.

5. Social impact assessment

The SIA will identify and assess a project's social impacts that are directly related to the project and propose measures to enhance potential positive impacts and strategies to avoid, manage, mitigate or offset the predicted negative project impacts.

Components to be considered as part of an SIA include:

- community and stakeholder engagement
- workforce management
- housing and accommodation
- local business and industry content
- health and community wellbeing.

SIAs do not assess project impacts on hard infrastructure such as roads and transport facilities and utilities. The proponent addresses these impacts in other sections of the EIS and not in the SIA.

SIAs contain (See Appendix 3 for a detailed explanation of these points):

- a definition of the stakeholders and impacted communities of interest
- a social baseline study of the impacted communities of interest, for example:
  - community history, Indigenous communities, culture and key events that have shaped economic and social development, resilience and trends
  - key industries in the region and any historical lifecycle considerations, pressures or vulnerabilities experienced by these industry sectors.
- an overview of state government legislation and policies that complement the mitigation measures for social impacts that are directly related to the project
- an explanation of methods used to gather information including a description of how the communities of interest were engaged during the development of the SIA
- identification of potential direct social impacts and prediction of the significance of any impacts and duration and extent of each impact
- the proponent's proposed enhancement and mitigation measures
- the proponent's monitoring framework that informs stakeholders on the progress of the enhancement and mitigation measures.

6. Reporting and review

The Coordinator-General may request annual progress reports, and the DEHP delegate may note or draw attention to requests from OCG, on enhancement and mitigation measures, during the construction phase and for the early years of the project's operations phase, for example, up to two years for most projects. Where a project is

larger and more complex, reports may be required for more than two years of its operational phase.

The Coordinator-General/DEHP delegate may consider the review reports in conjunction with state agencies, local governments and community groups and recommend further action or publish the reports if it is considered necessary.

After the Coordinator-General's reporting requirements or the DEHP delegate's noted requests have concluded, proponents may choose to continue to publicly report on their measures to address a project's social impacts, including to demonstrate their social licence to operate. The ongoing engagement and reporting process should be described in the project's SIA.

7. Timing

The SIA will be an integral part of the EIS documentation and will go on public display as part of the process. The EIS must contain all the information needed to address the Terms of Reference (TOR) for the project, including a comprehensive SIA and the proposed mitigation actions.

8. Coordinator-General's and DEHP EIS evaluation report

The SIA will inform the Coordinator-General's/DEHP delegate's evaluation/assessment report. In assessing the SIA, the Coordinator-General's/DEHP delegates will have regard to issues raised in submissions, additional information provided by the proponent and advice received from state agencies, local governments, communities of interest and other stakeholders.

The proponent should commit to mitigation measures that address impacts that are directly related to their project. The Coordinator-General's/DEHP delegates preference is to recognise commitments that address social impacts that are directly related to the project.

However, for coordinated projects being assessed under the SDPWO Act, the Coordinator-General may deem it necessary that outcome focused conditions be required for social impact measures. These conditions will be developed in consultation with the proponent and stakeholders. Emphasis will be given to direct impacts assessed as having a high probability and significant to severe consequence or impact.

For projects proceeding under the EP Act, the DEHP delegate cannot set conditions relating to social impacts but may note or draw attention to requests from the Office of the Coordinator-General that the proponent provide annual progress reports on mitigation measures for social impacts (See Section 6 Reporting and Review).

9. Transition arrangements for coordinated projects

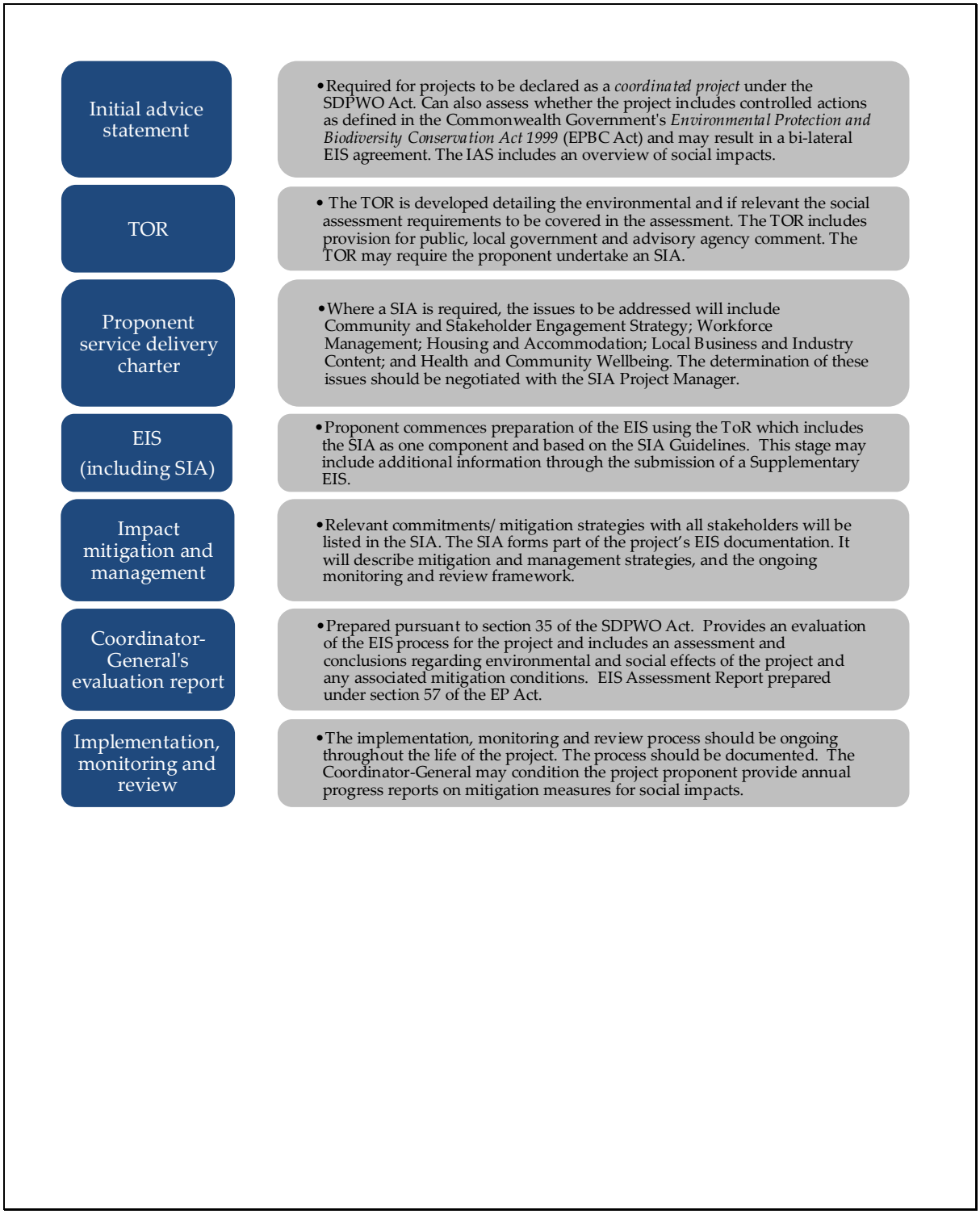
For Coordinator-General's evaluation reports that are well-advanced but are expected to be finalised after this guideline is implemented, proponents can choose to:

- commit, in writing, to adopt the SIA guideline, or
- continue with some or all of the current arrangements for the preparation of a social impact management plan (SIMP).

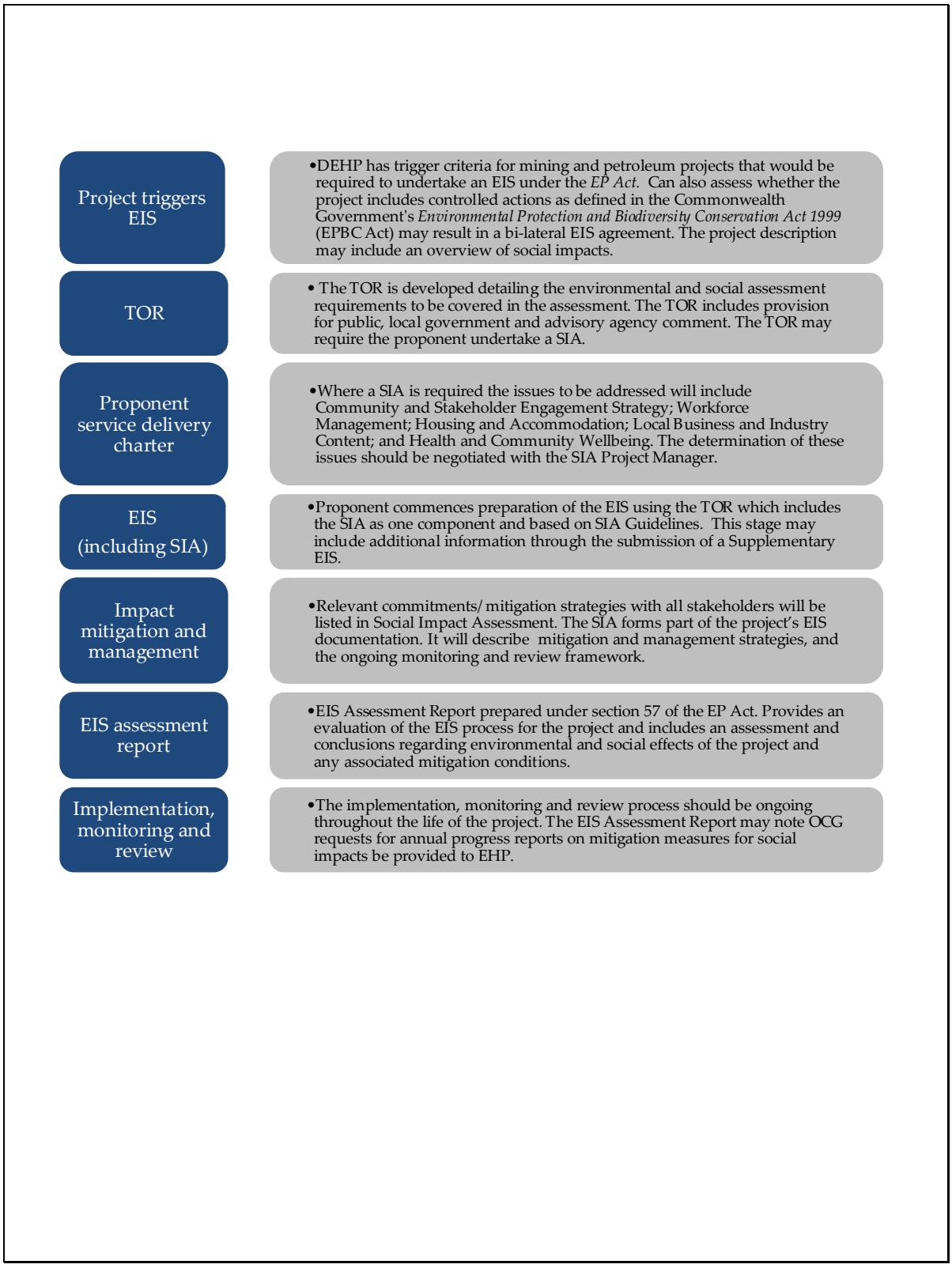
For completed evaluation reports, where proponents have been conditioned to have a SIMP, proponents can choose to:

- continue with the current arrangements, or
- notify the Coordinator-General, in writing, that they wish to amend or replace the SIMP conditions by adopting some or all of the SIA guideline.

Appendix 1. SDPWO Act EIS process including SIA components



Appendix 2. EP Act EIS process including SIA components



Appendix 3

Social baseline study

The social baseline assessment should include impacts at the project site and, as appropriate, along the supply chains to where the associated service activity is located. Agreement on the extent of the project's direct impact should be agreed with the OCG/DEHP to ensure an appropriate baseline is established.

The baseline study needs to be supported by recent on-the-ground research. Desktop research, on its own, is not sufficient to form baseline data.

Quantitative data can be accessed from the Australian Bureau of Statistics, current census data, the Government Statistician or various government agencies and local governments. Qualitative data may be sourced from stakeholder engagement activities, community strategies, plans and other research.

Broad data categories may include:

Community history and culture	Income and cost of living
Population	Social infrastructure
Workforce participation, employment and diversity profile	Technology
Housing and accommodation	Community health and safety
Education and training	Transportation and access
Business, industry and economy	Other, including socio-economic advantage and resilience, relevant economic modelling and cumulative impact data

Quantitative and qualitative data captured in the development of the social baseline study should be compared, aligned and analysed using appropriate social science research methods like triangulation, and cause and effect analysis.

Community and stakeholder engagement strategy

The strategy needs to be an inclusive and continuous process between the proponent and the communities of interest that identifies social opportunities and impacts that are directly related to the project. The strategy should begin early and include for example:

- holding information meetings at which the communities of interest are advised of the project details, the expected social impacts and opportunities, and the possible mitigation strategies identified to date
- consult with the communities of interest to verify social impacts and opportunities and to formulate mitigation strategies based on the responses from the communities of interest
- seeking responses from communities of interest and the transparent integration of these responses in the project's SIA.

Engagement with communities, local governments and government agencies needs to be ongoing to ensure that their input is appropriately reflected in the SIA.

The strategy must be reviewed to assess the effectiveness and efficiency of engagement policies, processes and tools. Stakeholders may be asked to participate in the review.

Impact and opportunity assessment

The proponent's approach and methodology for identifying and rating social impacts should be acceptable within its organisation and by the communities of interest . The process implemented by the proponent will need to be consistent with the community's capacity to participate.

An assessment of potential impacts and opportunities across each stage of the project lifecycle is to be informed by the social baseline study and the feedback from stakeholder engagement. The potential opportunities and impacts will be identified by considering the potential changes to key areas included in the social baseline study.

Appendix 4 provides an example of a risk impact and opportunity assessment. This is illustrative only and proponents should use rating tools consistent with nationally or internationally recognised best practice risk management standards.

Stakeholders should be given the opportunity to comment on the rating of the impacts. In instances where stakeholders do not support the ratings, this should be stated and the reasons why explained and documented in the SIA. Once the social opportunities and impacts are identified and able to be attributed to the project, the proponent, in consultation with stakeholders, will develop mitigation measures.

In assessing and determining appropriate mitigation measures, proponents will consider whether the social opportunities and impacts are accurately, reasonably and reliably able to be attributable to:

Considerations	Are impact mitigation measures required?
The project	Yes
A cumulative impact where the proportion of the impact of the project can be readily and reasonably forecast and/or separated from the total cumulative impact or opportunity.	Yes
An existing issue, legacy or cumulative impact which is not attributed to the project	No

Mitigation strategies

The mitigation and management strategies must be included in the SIA and be submitted with the EIS. The mitigation strategies must include:

- the impacts documented in the SIA
- description of the mitigation and management strategies.
- outcomes, performance indicators and targets

- significant stakeholders
- timing/timelines
- monitoring framework

The mitigation and management strategies that have resulted from the SIA need to be embedded across the proponents business. This will include developing management systems and operating procedures to deliver social outcomes.

Monitoring program

The proponent's monitoring framework will monitor the progress and effectiveness of mitigation strategies and ensure stakeholder input is considered as part of the ongoing implementation process.

The proponent may use existing and/or new community engagement forums to play a key role in monitoring the social impacts and the effectiveness of the mitigation and management strategies. The monitoring framework must include:

- a list of identified impacts and issues
- targets and outcomes sought
- an explanation of how management of the impact will be monitored—for example, regular communication with state government agencies or local governments
- the names of each party responsible for implementation of each monitoring strategy
- timing and frequency—documenting how often monitoring of the impact should take place for example, monthly, annually, throughout pre-construction, construction, and operations phases, life of the project
- performance indicators—need to be informative, relevant, measurable, reliable, widely recognised, simple to report and easily understood.

Appendix 4. An example of Social opportunity and impact risk assessment

Likelihood of Occurring	Social opportunity and risk categorisation				
HIGH	Very likely to occur or be an opportunity at either a specific stage of the project lifecycle or more broadly.			**Social impact or opportunity**	**Social impact or opportunity**	**Social impact or opportunity**
	Likely to occur or be an opportunity at either a specific stage of the project lifecycle or more broadly.			**Social impact or opportunity**	**Social impact or opportunity**	**Social impact or opportunity**
	Possible to occur or be an opportunity at either a specific stage of the project lifecycle or more broadly.				**Social impact or opportunity**	**Social impact or opportunity**
	Unlikely to occur or be an opportunity at either a specific stage of the project lifecycle or more broadly.					
LOW	Very unlikely to occur or be an opportunity at either a specific stage of the project lifecycle or more broadly.					
		LOW	**Opportunity/Impact/Consequence**			**HIGH**
		Incidental	**Minor**	**Significant**	**Major**	**Severe**
		Local, small-scale, easily reversible change on social characteristics or values of the communities of interest or communities can <u>easily adapt</u> or cope with change. Local small-scale opportunities emanating from the project that the community can readily pursue and capitalise on.	Short-term recoverable changes to social characteristics and values of the communities of interest or community has <u>substantial capacity</u> to adapt and cope with change. Short-term opportunities emanating from the project.	Medium-term recoverable changes to social characteristics and values of the communities of interest or community has <u>some capacity</u> to adapt and cope with change. Medium-term opportunities emanating from the project.	Long-term recoverable changes to social characteristics and values of the communities of interest or community has <u>limited capacity</u> to adapt and cope with change. Long-term opportunities emanating from the project.	Irreversible changes to social characteristics and values of the communities of interest or community has <u>no capacity</u> to adapt and cope with change.

**Process adapted for illustrative purposes from a review of socio-economic impact assessments included in Social Impact Assessments for a selection of resource projects.*

Low Social Impact or Opportunity	Medium Social Impact or Opportunity	High Social Impact or Opportunity

Glossary

- **Adaptive Management** — A process of decision making that reduces uncertainty and manages responses to environmental changes over time through ongoing monitoring and review of mitigation strategies.
- **Communities of interest**—communities that are impacted (both beneficially and detrimentally) by the project
- **Cumulative impact**—successive, incremental and combined impacts (both beneficial and detrimentally) of an activity or multiple activities on communities of interest
- **Environmental impact statement (EIS)**—describes the current environment; the project's social, economic and environmental impacts; and ways of avoiding, managing, minimising and mitigating these impacts
- ***Environmental Protection Act 1994*** **(EP Act)**—a Queensland Government Act to protect Queensland's environment while allowing for development that improves the total quality of life
- **Social impact**—an activity related to the project that has the potential to affect the communities of interest (both beneficially and detrimentally)
- **Social opportunity**—a project benefit that the proponent has assessed as appropriate to pursue
- **Mitigation measure**—activity or strategy designed to alleviate social impacts of the project
- **Project lifecycle**—the various stages of the project including pre-construction activities, construction, operation and decommissioning
- **Project proponent**—project owner and their nominated representatives
- **Social impact assessment (SIA)** – an assessment of the project's social impacts (both beneficial and detrimental) and identifies social opportunities and measures to avoid, manage, minimise and mitigate social impacts
- **Social licence to operate (SLO)**—the acceptance within the communities of interest of both the proponent and its project
- ***State Development and Public Works Organisation Act 1971*** **(SDPWO Act)**—a Queensland Government Act to provide for state planning and development through a coordinated system of public works organisation, for environmental coordination and related purposes.

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