

LOCK THE GATE ALLIANCE

AUSTRALIANS WORKING TOGETHER TO PROTECT OUR LAND, WATER, AND FUTURE 

Reply to: Georgina Woods
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Infrastructure, Planning and Natural Resources Committee
Parliament House
by email: ipnrc@parliament.qld.gov.au

Submission: Strong & sustainable resource communities Bill

We wholeheartedly support the provisions outlined in Part 3 Division 3, in section 29, putting the ban on underground coal gasification into effect and its provision for automatic commencement.

We also support the provisions of the Bill that proscribe 100% FIFO workforces for resource projects and recruitment practices that discriminate against local people applying for jobs in such projects, but we believe that the Bill does not go far enough in creating a framework to ensure resource projects do not undermine the social and economic fabric of regional areas, and so make recommendations for it to be strengthened and broadened in key areas.

Lock the Gate Alliance maintains that mining projects that have unacceptable impacts on groundwater, good quality farmland, air quality or the economic fabric of agricultural communities should not be granted approval. Any mines that are approved should be subject to strict conditions to ensure that they enhance the social and economic wellbeing of the communities where they are developed, instead of being allowed to damage them.

Legislating against FIFO practices is not just a measure to protect and promote the interests of regional communities, it is also necessary to provide sustainable work practices for people employed in the mining industry, whose health, family life and civic participation are all negatively impacted by FIFO operations.

The experience of people in mining affected communities is that many intense and lasting negative impacts of mining are a result of Government and industry failing to put basic thresholds and practices in place to prevent them and instead prioritising profits and haste over people, workers and sustainable communities. The approval of high intensity resource operations has caused severe distress, health impacts and degradation of social capital. In villages and towns affected by large scale mining operations, shops close, conflict increases, volunteer numbers decline, connectedness declines and resilience declines.

We do not go into detail of the research already conducted in this area that supports limits being imposed on FIFO arrangements, but encourage the Committee members to read the CFMEU's submission to the House of Representatives Select Committee on Regional Australia Inquiry into "Fly-In, Fly-Out" and "Drive-In, Drive-Out" Work Practices in 2011 and the more recent submission

made by that union to the Queensland parliament's inquiry into FIFO. The CFMEU has recommended that "a social impact study be conducted before any mining license is granted, recognising that while the whole state benefits from mining it is host local communities that must live with the negative fallout. Mining licenses should depend on a company's commitment to invest in training, engage with local businesses and provide permanent jobs." This Bill would begin to address that gap, but we believe there is a need for the Bill to be more specific about social impact considerations that must inform the assessment of a major resource project. We attach to this submission the draft Social Impact Assessment Guidelines being introduced in NSW as an example of these considerations.

In addition to making specific comments on this Bill, we ask the committee to consider how Government processes deny people agency and intensify mining conflict, and make recommendations for broader reforms to ameliorate the negative social impacts of mining projects. Mining brings conflict pits neighbour against neighbour. The absence of agency and power for landholders and Traditional Owners, communities and the public more broadly intensifies this conflict. There is little opportunity for genuine public participation in decision-making. Failure to hold the mines to standards they cannot breach leads to poor social and environmental outcomes and disaffection and anger in the community.

The objective of "ensuring residents of communities in the vicinity of large resource projects benefit from the operation of the projects," will not be achieved by the measures outlined in the draft Bill. Simply requiring a social impact assessment does not, of itself, prevent the harm described in that assessment. In addition to the specific requirement proscribing resource projects from employing a FIFO workforce, additional practical measures should be provided for in a Bill of this nature.

Problems with the Bill

Though the Bill requires social impact assessment and gives the Coordinator General power to impose conditions on projects relating to social impacts, there are no provisions that specify the character of these conditions, what matters they are to address and how the Government will ensure compliance with them.

Social impact assessment foregrounds employment, but mining regions are now suffering unemployment, despite the last five years of enthusiastic Government approval of large scale resource projects. Social impact assessment and conditions should cushion communities from the boom-bust cycle, encourage diversity, integration and participation in social and cultural activities in the community.

The provisions of the Bill dealing with discrimination against the local community in hiring practices apply to any project for which a Coordinator-General's or environmental assessment report was published after June 2009. But the provisions proscribing 100% FIFO workforces only apply to projects newly notifying about publication of an Environmental Impact Statement – which means that it will not apply to a vast number of new mines that have already been through that system, including Adani's Carmichael coal mine. The Government's policy regarding FIFO has been on the public record for two years and the benefits of requiring local participation in the workforce can begin at any time in the life of a resource project. It is unacceptable that a project like Adani's Carmichael mine, which hasn't even begun recruitment, should not be subject to this new law.

Section 6 limits the provision proscribing 100% FIFO workforce to the operational phase of a project. We believe that it should apply to all phases of the project life. Section 12 of the Bill allows the Coordinator General to declare construction workers for a resource project to be workers under the new Act. There are no thresholds or guidance criteria indicating how or why the Coordinator General

would make such a decision. Our preference would be for workers employed during the construction phase of a mining project to be considered workers under this Act in all circumstances. The social damage of FIFO work practices is not limited to the hosting communities. These practices affect the FIFO workers and their families, with the social consequences of absent parents and partners extending to the communities where the FIFO workers actually reside. We encourage the committee to review the CFMEU's submission to the Federal parliamentary inquiry into FIFO work practices for insight into the effects of this practice on all participants.

In addition, we are concerned that there are no targets and thresholds for local workforce participation. A project could, under this Act, employ one or two locals and fly the rest of the workforce in and out. This is hardly a result that would prevent the social and economic damage of FIFO work practices. A Social Impact of Mining Survey conducted by researchers at the Queensland University of Technology surveyed members of mining communities in central Queensland and found the majority of respondents (61%) were supportive of limiting the non-resident work force to 25% or less for new mining projects. While we support a ban on 100% FIFO workforces, we believe there are strong arguments for more specific targets in this Bill. Capping FIFO in the workplace at 25% or less would encourage integration of new resource projects within regional economies and allow the workforce to establish itself as part of the community.

We propose that the Bill is amended to apply to all large-scale mining projects active in Queensland for which there is a current mining title, with a transitional arrangement provided for operating mines allowing them a window of time in which to make the transition from FIFO to local workforce, in consultation with local government and social welfare providers to ensure communities can grow to accommodate the necessary population.

The provisions of section 11 of the Bill give power to the Coordinator General to impose social impact conditions on projects that are not coordinated projects under the *State Development Public Works Organisation Act*. We have some concerns about these sections.

Nothing in the Bill requires the Coordinator General to consult on these conditions with the community for which they are supposedly being drafted and imposed. There are no provisions included for public consultation or input by agencies responsible for health, welfare and public order, nor with unions, nor networks, organisations and facilities dependent on vibrant local communities, like childcare, fire-fighting, and other social services. There is nothing in the Bill that outlines the process by which the Coordinator generates conditions of this kind.

The Bill specifically allows for proponents to request a change to the social impact conditions he or she imposes, but no such provision is provided for a union, local government, department of health, police or any other organisation or agency with responsibility for social welfare.

We also have some concern about the inter-relation of the definitions in Schedule 1 and the publication of town details on the coordinator general's website under section 13. There is nothing in section 13 that specifies the timing of the publication of the names of the towns captured by the provisions of this Act. We believe it should be specified that this notification takes place at the EIS stage of the project and that information specifying the proportion of the workforce that resides within 100km of the project area should also be published.

Proposals for improvement

We seek the Committee's support for an amendments to this Bill that would:

- Strengthen and broaden its effect with additional objects to the new Act that express the vision to which we believe regional mining and farming communities aspire – sustainable regional communities with strong local bonds, economic diversity and a vibrant social and cultural life.
- Make an additional object to expressly provide that the Bill protect regional communities from social and economic harm by major resource projects and to ensure that people employed in large-scale resource projects have access to community services, family, cultural and recreational opportunities and the organisations that work for fair work arrangements.
- Apply the Bill to all large-scale mining and resource projects active in Queensland for which there is a current mining or petroleum title, with a transitional arrangement provided for operating projects allowing them a window of time in which to make the transition from FIFO to local workforce, in consultation with local government and social welfare providers to ensure communities can grow to accommodate the necessary population.
- Specify matters for social impact assessment including:
 - Social effects like health, including mental health, wellbeing, cultural, disruption or degradation of social and spiritual practices, including Indigenous connection to country and community agency in decision-making.
 - Economic and environmental impacts that affect social character: traffic and poor road use practices, amenity, noise, acquisition, landscape change, cultural heritage and biodiversity loss all contribute.
 - Labour and mining practices that worsen social impacts: Shift work, 24-hour operation, poor skills development, insularity of the workforce, dramatic pay disparity within regional communities and lack of access to workplaces for unions all have profound social consequences.
- Require mining companies to prepare community integration plans that set targets for the participation of the workforce in the cultural and social life of the community. These plans could be developed with the participation of the relevant union and local community organisations.
- Proscribe unsafe and anti-social workplace arrangements including long-duration shifts, 24-hour operation and majority FIFO workforces.
- Integrate resource project assessment and permit processes into regional plans, designating areas where resource extraction is prohibited and assessing projects against the objectives and strategies in regional plans.
- Require the Coordinator General to consult with local government, the department of health, the relevant union, local social welfare providers and services and the police in the development of social impact conditions.
- Require the Coordinator General to put the conditions, once developed, on public exhibition for feedback, and ensure the local community has access to the proposals on the internet, in the newspaper and local civic institutions,
- Provide a mechanism for a relevant union to request a change to a condition, if the proposed change is for the welfare of the workforce or the public interest of the community hosting the resource project.
- Provide a mechanism for any interested member of the public or community organisation to object to or contest the merit of these conditions in court.



Planning &
Environment

Social impact assessment

*Draft guidelines for
State significant
mining, petroleum
production and
extractive industry
development*

December 2016

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Introduction

Purpose

The *Environmental Planning and Assessment Act 1979* (EP&A Act) establishes the framework for assessing all types of development in New South Wales, including State significant mining, petroleum production and extractive industry projects ('SSD resource projects'). The framework provides for each development application to be assessed on its merits. This includes an integrated assessment of the likely social, environmental and economic impacts of the proposed development, including consideration of the principles of ecologically sustainable development and the public interest.

These Guidelines have been developed to provide proponents of proposed SSD resource projects with a clear, consistent and transparent framework and overarching methodology for identifying, assessing and responding to social impacts (as part of an integrated environmental impact assessment). It comprises:

- an introduction to social impact assessment (**Part 1**);
- general social impact assessment requirements and guiding principles (**Part 2**);
- social impact assessment performance objectives for the pre-lodgement stage (and the Preliminary Environmental Assessment or PEA), and the application stage (and the Environmental Impact Statement or EIS) (**Part 3**); and
- an overview of how social impacts are considered in the assessment, determination and post-approval stages of the development assessment process (**Part 4**).

Objectives

The objectives of these Guidelines are to:

- facilitate better social outcomes by: requiring early identification of social impacts to drive better project design; and ensuring significant social impacts are appropriately responded to, with a view to avoiding or minimising negative social impacts and enhancing positive social impacts;
- provide greater certainty for proponents and the community by setting clear expectations and transparency requirements for social impact assessment;
- facilitate meaningful, respectful and effective community and stakeholder engagement on social impacts across the development assessment process, from pre-lodgement to post-approval;
- support better decision-making by strengthening the quality of information and analysis provided to the consent authority on social impacts; and
- provide greater accountability for the management of social impacts over the life of a project by linking proposed mitigation and enhancement strategies to conditions and/or appropriate monitoring and adaptive management arrangements.

Application of these Guidelines

The Guidelines apply to development applications for SSD resource projects, where the Secretary's Environmental Assessment Requirements (SEARs) were issued after the publication of these Guidelines.¹

The Department of Planning and Environment (the Department) may also require an application for a modification to an existing SSD resource project development consent to comply with the Guidelines, where:

- the modification application is submitted after the publication of these Guidelines; and
- the proposed modification is likely to result in social impacts that are new or different to those assessed as part of the original development application.

Proponents considering a modification should seek advice from the Department about what is required prior to lodging an application.

Terminology

The following terminology is used in these Guidelines to convey key concepts in relation to social impact assessment:

- **Adaptive management** – manages responses to changing circumstances and new information over time through ongoing monitoring and periodic review of mitigation strategies.
- **Consent authority** – has the same meaning as in the EP&A Act. The Minister is the consent authority for SSD resource project development and modification applications. The function is delegated to: the independent Planning Assessment Commission (where there have been 25 or more objections to the application, the local council has objected, or there has been a reportable political donation in connection with the application, or to a previous related application); or the Department (where there are less than 25 objections and local council support).
- **Development application** – has the same meaning as in the EP&A Act.
- **Development consent** – has the same meaning as in the EP&A Act.
- **Proponent** – the person, company or other group that submits a development application or holds a development consent for a SSD resource project.
- **State significant development (SSD)** – has the same meaning as in the *State Environmental Planning Policy (State and Regional Development) 2011*.
- **SSD resource projects** – shorthand for 'State significant mining, petroleum production and extractive industry projects'.
- **Social impact** – see Section 1.1.
- **Social impact assessment** – see Section 1.2.

¹ The general approach outlined in these Guidelines can be applied to other types of State significant development at the discretion of the proponent.

Part 1 – Introduction to social impact assessment

1.1 What are social impacts?

For the purpose of these Guidelines, social impacts are changes to one or more of the matters in Table 1.²

Table 1 - Matter categories to consider when identifying social impacts

Matter	Description
Way of life	How people live, work, play, and interact with one another on a day-to-day basis
Culture	People's shared beliefs, customs, values, and language or dialect (including Aboriginal culture and connection to country)
Community	Its cohesion, stability, character, services, and facilities
Political systems	The extent to which people are able to participate in decisions that affect their lives, and the resources provided for this purpose
Environment	The quality of the air and water people use; the availability and quality of the food they eat; the level of hazard or risk, dust and noise they are exposed to; the adequacy of sanitation; their physical safety; and their access to and control over resources
Health and wellbeing	People's physical, mental, social, and spiritual wellbeing
Personal and property rights	Particularly whether people are economically affected, or experience personal disadvantage which may include a violation of their civil liberties
People's fears and aspirations	Their perceptions about their safety, their fears about the future of their community, and their aspirations for their future and the future of their children

These impacts can be:

- positive or negative;
- tangible or intangible (or perception-based);
- direct (i.e. caused by the planned development itself), indirect (i.e. occurs as a result of a direct impact), interdependent (i.e. affecting each other), and/or cumulative (i.e. the successive, incremental and combined impacts of one or more projects, including current and foreseeable future projects);
- experienced differently by different individuals and groups within a community; and
- experienced differently at the local, regional, state, or national level.

²Source: Vanclay, F. (2003). International Principles for Social Impact Assessment. *Impact Assessment & Project Appraisal* 21(1), 5-11.

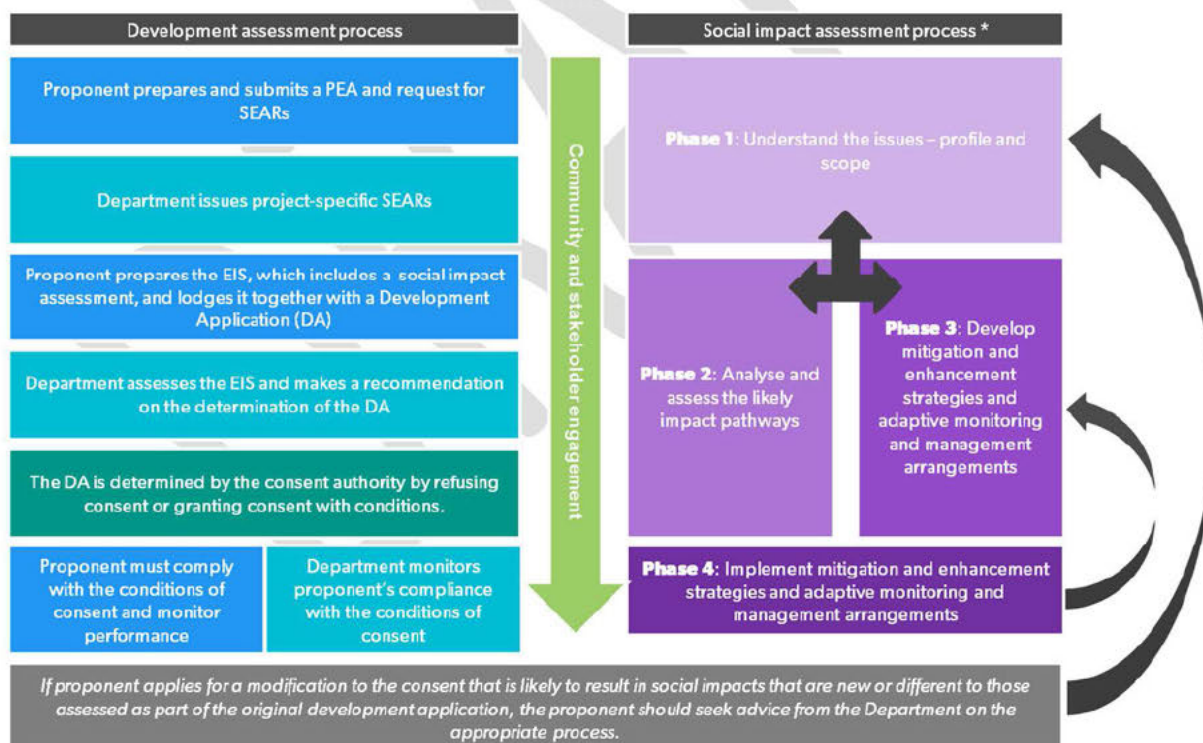
Social impacts should be identified by seeking to understand both the specific project and context, and how the project and any associated environmental and economic impacts are likely to be experienced by potentially affected people and groups both overall and at different stages in the project (e.g. pre-construction, construction, operation, closure, and the post-project legacy). The matters outlined in Table 1 should provide a starting point. See Appendix A for further detail on key SSD resource project features that can be helpful to understand when considering social impacts.

1.2 What is social impact assessment?

For the purpose of these Guidelines, a 'social impact assessment' is the process of analysing, assessing and responding to the potential social impacts of a proposed development, with a view to minimising negative social impacts and enhancing positive social impacts. The resulting analysis is an input to the overall environmental impact assessment process for the proposed development. If the proposed development is approved, the social impact assessment can provide a foundation for ongoing monitoring and adaptive management of predicted and unforeseen impacts over the life of the project.

These Guidelines provide a framework for integrating social impact assessment into the development assessment and approval process under the planning system. Figure 1 illustrates how the four broad phases of the social impact assessment process align with the pre-lodgement, application, assessment and determination, and post-approval stages in the NSW development assessment process.

Figure 1 – Social impact assessment and the development assessment process for SSD resource projects



* Based on Vanclay F et al (2015). *Social impact assessment: Guidance for assessing and managing the social impacts of projects*. Fargo ND: International Association of Impact Assessment.

Social impact assessment is a learning process informed by data and expert analysis, with each phase building on the phase that came before it. For instance, analysis completed for Phase 2 may result in additional potential social impacts being identified, which may require further baseline data to be established (Phase 1). Likewise, an application to modify an existing development consent should review and build on previous social impact assessment processes conducted for that development.

Part 2 – General requirements and overarching principles

2.1 Professional qualifications and skills

The social impact assessment should be prepared by individuals who have qualifications in a social science discipline and/or demonstrated experience and capabilities in social impact assessment. The name, qualifications and experience of the person preparing the social impact assessment (or the principal preparer, if prepared by a team) should be provided, along with the date on which the assessment was completed. Details of the qualifications and experience of any other person who has conducted research or investigations relied on in preparing the social impact assessment should also be provided.

The preparer should observe, wherever relevant, ethical considerations that apply to research involving humans.³ Appropriate safeguards should also be put in place to ensure the process and the results provide an impartial assessment of the likely social impacts and avoid potential conflicts of interest. For instance, the preparer should certify that the assessment does not contain false or misleading information.

Depending on the project context, it may also be appropriate to consider measures to address potential stakeholder concerns about the independence of social impact assessments commissioned by proponents (e.g. by involving the community in selecting the preparer).

Box 1 – Social impact assessment and the importance of social-science methods

As a general rule, effective social impact assessment relies on systematic data collection, research and stakeholder engagement and the application of expert judgement and credible assumptions. It therefore requires the use of a range of widely-accepted social-science methods by suitably qualified and experienced individuals.

Different methods will be required for different activities. The suitability of the actual methods used will also depend on the nature of the project itself and on its social context (i.e. the nature, values, aspirations and concerns of the potentially affected people and groups).

General methods commonly used during a social impact assessment process include: quantitative data analysis; document analysis; surveys and questionnaires; interviews (structured, semi-structured, and/or unstructured); focus groups and workshops; ethnographic studies; participant observation; and content and discourse analysis.

³ For further information on ethical considerations, see: National Health and Medical Research Council, Australian Research Council and the Australian Vice-Chancellors' Committee (2015). *National Statement on Ethical Conduct in Human Research 2007* (Updated May 2015). Canberra: Commonwealth of Australia; and Baines, J, Taylor, C N and Vanclay, F (2013). Social impact assessment and ethical social research principles: Ethical professional practice in impact assessment Part II. *Impact Assessment and Project Appraisal*. 31(4), 254-260.

2.2 Integrated approach for assessing social, environmental and economic impacts

The environmental impact assessment process has to synthesise and reconcile a range of inputs and specialist studies. The social impact assessment is one of these inputs.

For example, a project's impacts on surface water and reliant flora and fauna may be captured by relevant environmental studies. The cost of any resulting losses may be quantified and captured in the economic assessment. The social impact assessment would consider how those losses are likely to be valued and experienced by different people and groups (e.g. the local community may no longer be able to use a nearby creek for fishing or other recreational uses). While derived through discrete processes, the results of each study should add up to a comprehensive, integrated and holistic EIS.

For SSD resource projects, the social impact assessment will often take the form of a separate specialist study that is referenced in the EIS. It should leverage the outputs from other specialist studies, and vice versa.

For example, the local effects analysis and the cost benefit analysis (which are required by the Department's *Guidelines for the economic assessment of mining and coal seam gas proposals*) are likely to contain relevant quantitative (and, potentially, qualitative) data and analysis that will also be required when analysing the social dimensions of impacts. For instance, analysis of economic benefits and costs expected to be incurred by project suppliers will be relevant when considering the tangible and intangible ways in which those costs and benefits are likely to affect those project suppliers, their employees, and the communities in which they operate in social terms.

Similarly, data and analysis collected from the social impact assessment may also be relevant to environmental and economic studies. For instance, local knowledge gathered through the social impact assessment could help calibrate and refine technical environmental modelling, and qualitative data gathered via a social impact assessment could be used to inform a richer description of an intangible, unquantified impact in a cost benefit analysis.

To support effective integration between social, economic and environmental considerations, all specialist studies should be undertaken in a coordinated way, and care should be taken to avoid double counting and considering impacts in isolation.

2.3 Engagement with potentially affected people and groups and other interested parties

2.3.1 Engagement objectives

Respectful, inclusive and meaningful engagement with potentially affected people and groups, and other interested parties, forms a critical part of all phases of the social impact assessment process. This engagement should start early, before a preferred project design has been selected.

Key engagement objectives for the social impact assessment undertaken as part of the development assessment process include the following:

- to ensure potentially affected people and groups have a sufficient understanding of: the proposed development and how it may affect them; and the development assessment process and opportunities for them to participate in that process;

- to understand and meaningfully consider the views of potentially affected people and groups as part of the project development and design process;
- to collect data (qualitative and quantitative), including local knowledge;
- to validate or 'ground-truth' data, assumptions and findings;
- to understand and meaningfully consider the views of potentially affected people in the development of mitigation and management strategies, with a view to maximising their likely effectiveness;
- to ensure potentially affected people and groups and other interested parties know how their input and views have been taken into account; and
- to respect the privacy of individuals and groups in all engagement activities, allowing them to communicate their views anonymously if they desire.

Overall, the level and types of engagement required for the social impact assessment will depend on:

- the size of the locality likely to be affected in social terms;
- how diverse the potentially affected people and groups are;
- the range and types of issues involved;
- the stage of the social impact assessment process and the project; and
- the needs of particular audiences (e.g. cultural appropriateness, capacity to participate).

Appendix B provides further detail on methods to engage potentially affected people and groups and other interested parties for the purposes of the social impact assessment. If uncertain about the level of engagement required, proponents should seek advice from the Department prior to preparing their request for SEARs and accompanying PEA.

2.3.2 Identifying potentially affected people and groups

The exact people and groups affected by social impacts associated with a SSD resource project will depend on the project context, including the different linkages and networks that connect people and groups. They are also unlikely to all fall within a single clear geographic boundary.

General categories of potentially affected people and groups to investigate (as a starting point) include:

- local residents, landholders and businesses (including those who move to or leave the area in response to the project);
- Aboriginal peoples and groups with a connection to country, whether they reside in the area or not;
- local social and cultural organisations;
- local public and private service providers (including local and State and Commonwealth-funded health and social services);
- host communities for displaced persons;
- people and groups affected by activities associated with the project that occur outside the immediate project site (e.g. transport and logistics);

- people and groups in nearby communities (e.g. economic linkages, workers, services);
- people and groups using resources that the project will also use (e.g. downstream water users);
- people or groups with an interest in or attachment to the natural and built environment in the locality (e.g. interest and advocacy groups, regulators); and
- the people of NSW (i.e. the public interest).

When identifying potentially affected people and groups, particular consideration should be given to:

- inclusivity, i.e. ensuring all those who may potentially experience impacts are considered;
- distributional effects, i.e. potential variations and different experiences within groups, based on, for instance, age, gender, culture, income and other factors that may contribute to unequal exposure to impacts; and
- intergenerational equity, i.e. potential impacts on future generations.

The 'stake' that each of these different individuals or groups has in a project will vary, as will the level of engagement required for each. Stakeholder analysis should be used to assess the significance of the project to each party from their perspective. This analysis should be used to determine the type(s) of engagement activities required.

2.4 Guiding principles

A good social impact assessment process will demonstrate how it has applied the principles outlined in Table 2.

Table 2 – Guiding principles for social impact assessment

Principles	
Action-oriented	<ul style="list-style-type: none"> • Practical, effective strategies that genuinely and effectively address social impacts and promote better social outcomes should be identified
Adaptive	<ul style="list-style-type: none"> • Strategies are monitored and reviewed, and adjusted to ensure they remain effective • Processes are in place to respond effectively to unforeseen social impacts
Equity-sensitive	<ul style="list-style-type: none"> • The distribution of social impacts (positive and negative), particularly for vulnerable or under-represented groups, should be considered, as well as impacts on future generations
Impartial	<ul style="list-style-type: none"> • The assessment should be impartial and should accurately and faithfully reflect the views and insights shared by potentially affected people and groups and other interested parties • Relevant professional ethical standards should be complied with
Inclusive	<ul style="list-style-type: none"> • The full diversity of potentially affected people and groups should be identified and their views understood • Engagement should start early and be respectful, meaningful and tailored to suit the needs of those being engaged (e.g. culturally sensitive, accessible)

Principles	
Integrated	<ul style="list-style-type: none"> The assessment should leverage data and analysis from other specialist studies undertaken for the environmental impact assessment to avoid duplication and double counting
Life-cycle focus	<ul style="list-style-type: none"> Potential impacts (including cumulative) at all stages of the development, including the post-project legacy, should be identified and considered
Material	<ul style="list-style-type: none"> Attention and effort is focused on the potential social impacts that matter the most to different potentially affected people and groups (not just those that are easy to count)
Precautionary	<ul style="list-style-type: none"> Lack of scientific certainty about potentially serious negative social impacts should not be used as a reason to not implement appropriate mitigation strategies
Proportionate	<ul style="list-style-type: none"> The scope and level of assessment should be proportional to, and commensurate with, the likely social impacts and risks (including how they are perceived) and the nature and scale of the development
Rigorous	<ul style="list-style-type: none"> The assessment is based on appropriate, accepted social science methods, and draws on qualitative and quantitative data (including primary data collected for the purpose of the social impact assessment) and expert advice (including other specialist studies undertaken for the project)
Transparent	<ul style="list-style-type: none"> Methods and assumptions should be described and justified Data should be accurately and faithfully recorded, and explanations should be provided as to how input from potentially affected people and groups has been taken into account in decisions Information about the project and assessment should be easy to access

Part 3 – Requirements for pre-lodgement and application stages

3.1 Pre-lodgement

The Secretary of the Department is required to issue SEARs for all State significant development applications⁴, including SSD resource projects. The SEARs specify the matters that the proponent must address in the EIS lodged as part of the development application. The Secretary is required to consult with relevant government agencies in preparing the SEARs. The proponent's request for SEARs should be accompanied by a PEA, to inform the development of the SEARs.

For the purposes of the social impact assessment, the development of the PEA provides an opportunity to facilitate early engagement with potentially affected people and groups and other interested parties. It also provides an opportunity to prompt the initial scoping and profiling (i.e. to 'understand the issues') that form the basis of a good social impact assessment.

The PEA should meet the performance objectives specified below (at a minimum). The level of detail provided in the PEA should be proportionate to the scale of the project and the project context.

The SEARs issued for SSD resource projects will include a requirement to apply these Guidelines, and any project-specific requirements.

PEA performance objective 1 – Potentially affected people and groups are assisted to understand the proposed development

The PEA should outline:

- steps taken to help potentially affected people and groups to understand the proposed development and what it could mean for them; and
- the proposed overall approach to stakeholder consultation for the EIS development process.

PEA performance objective 2 – Potentially affected people and groups, and the locality likely to be affected in social terms, are clearly identified and understood

The PEA should include a preliminary social profile that provides a qualitative description of the potentially affected people and groups, and the locality likely to be affected in social terms. This will ensure that there is a clear understanding of people and groups that have the potential to be affected.

The preliminary social profile should draw on (but not be limited to) primary qualitative data collected from the potentially affected people and groups for the purpose of the PEA, and include:

- a thorough stakeholder analysis of the potentially affected people and groups, including their interests, values and aspirations;

⁴SEARs are not required for applications to modify an existing development consent, but may be issued in some cases. Proponents considering a modification should seek advice from the Department about whether a social impact assessment is required prior to lodging an application.

- any features of the locality identified as being of value, importance or high sensitivity in social terms, including any identified in the Preliminary Regional Issues Assessment (PRIA) (for coal and petroleum exploration titles issued under the Government's Strategic Release Framework for Coal and Petroleum Exploration), environmental planning instruments (e.g. Local Environmental Plans), and strategic plans and policies;
- any relevant current and anticipated social change processes or social trends within the locality (including those associated with other SSD resource projects and other developments); and
- how the proposed development has been experienced in the locality to date.

The PEA should document any steps taken to check that the views and input of potentially affected people and groups have been faithfully and accurately captured, and/or explain how their views or input have been taken into account.

PEA performance objective 3 – Likely social impacts are scoped and clearly identified, including those identified by potentially affected people and groups

The PEA should identify what social matters are likely to be impacted by the proposed development (without any mitigation or management), and describe the scoping process used to identify them. The matters outlined in Table 1 can provide a starting point for scoping and a tool to generate discussion.

The scoping process should draw on (but not be limited to) primary quantitative and qualitative data collected from the potentially affected people and groups for the purpose of the PEA, and analysis of the preliminary social profile completed for the PEA. Other potential sources that should be drawn on for the scoping exercise may include (but should not be limited to):

- social issues identified in the PRIA (if applicable), and/or identified during the exploration phase and recorded in accordance with the Division of Resources and Energy's *Exploration code of practice: community consultation*; and
- analysis of relevant published research and evidence on relevant social changes and impacts that have occurred as a result of comparable developments (including social impact assessments completed for similar SSD resource projects).

Preliminary significance assessment

The scope of what may be considered a potential social impact is broad. However, the mere existence of a potential social impact is not necessarily a reason to take action. A good social impact assessment process will draw attention to, and focus effort on, the most significant issues, i.e. those that are likely to pose the greatest risks to potentially affected people and groups, involve the greatest consequences or opportunities, and/or are of the highest concern or interest to different affected people and groups.

The PEA should include a preliminary assessment of whether the identified potential social impacts are likely or unlikely to occur (or identify if the likelihood is unknown), and whether they are likely to be significant or not (without any mitigation or management). This significance assessment should have regard to the impact characteristics outlined in Table 3.

Table 3 – impact characteristic for assessing significance

Characteristic	Definition
Duration	<ul style="list-style-type: none"> When the impact will occur and over what period
Extent	<ul style="list-style-type: none"> Geographic extent of the impact – e.g. broad or localised Number of people potentially affected by the impact
Sensitivity	<ul style="list-style-type: none"> Social value placed on the affected aspect of the social environment by different potentially affected people or groups Resilience of the potentially affected people or groups – i.e. their ability to adapt and respond
Severity	<ul style="list-style-type: none"> The intensity of the potential effect or consequence on the social environment or potentially affected people or group Whether the effect or consequence is acute or chronic

If two or more of these characteristics are likely to be significant or their significance is unknown, the social impact should be treated as significant and investigated in further detail as part of the development of the EIS.

The preliminary significance assessment should also consider the level of concern felt by the potentially affected people and groups regarding potential negative social impacts. This should be based on the results of early engagement. If the level of concern is high, the social impact should be investigated in further detail as part of the development of the EIS.

The process, evidence and assumptions used to assess social impacts against all of these factors should be clearly and accurately described and justified in the PEA. Table 4 provides a suggested worksheet for summarising the results of the preliminary significant assessment in the PEA.

PEA performance objective 4 – Mitigation options for potential significant negative social impacts are identified and discussed

The PEA should including a conceptual discussion of mitigation strategies for managing the potential significant negative social impacts of the proposed development.

The PEA should also outline any steps already taken to mitigate significant negative social impacts (e.g. through changes to the project design, acquisition of properties) including the rationale for their selection, their likely effectiveness and any associated flow-on social impacts.

PEA performance objective 5 – Intended methods of analysis for the EIS are identified and clearly described

The PEA should provide a high-level outline of the methods and approach for investigating the identified potential significant social impacts in the EIS, including how potentially affected people and groups will be engaged. The proposed approach and methods should be clearly explained and justified.

The PEA should also identify which potential significant social impacts are likely to also be considered by other specialist studies proposed to be taken for the EIS.

Table 4 – Worksheet for summarising the results of the preliminary significance assessment

Assessment questions		Impact 1	Impact 2	...	
What is the social impact?	Matter <i>(See matters in Table 1)</i>	<i>e.g. Way of life</i>	<i>e.g. Environment</i>	...	
	Describe the impact, without mitigation <i>(i.e. what is it, and who is it likely to affect?)</i>	<i>e.g. bike and walking trail popular with local and regional residents will be removed for new access road</i>	<i>e.g. certain properties will experience noise and vibrations due to blasting – most are grazing properties</i>	...	
	How likely is the impact, without mitigation? <i>(Likely, Unlikely, Unknown)</i> <i>Why? (e.g. may be unlikely if already avoided through project design or another strategy. If so, explain and justify)</i>	<i>Likely - other route options could avoid the path but would have adverse impacts for residential properties</i>	<i>Likely – blasting required to access resource</i>	...	
How significant is the social impact likely to be without mitigation?	Is it likely to be significant with regard to...? <i>(Yes, No or Unknown. Explain and justify reasons for rating. See definitions in Table 3)</i>	Duration	<i>Yes – ongoing during construction and operation</i>	<i>Yes – recurring throughout operation</i>	...
		Extent	<i>Yes – used regularly by local and regional residents (quantify rates)</i>	<i>No – x properties affected</i>	...
		Sensitivity	<i>No – other trails in the region, although not as popular</i>	<i>Yes – significant increase relative to current conditions</i>	...
		Severity	<i>Yes – permanent (in current users’ lifetime)</i>	<i>Unknown – yet to complete technical modelling</i>	...
	Is the impact likely to be significant overall? <i>(Yes if two or more of the above are ‘Yes’ or ‘Unknown’)</i>	<i>Yes</i>	<i>Yes</i>	...	
What do potentially affected people or groups think and/or feel?	Is there significant concern among potentially affected people and groups regarding the social impact? <i>(Yes or No – explain reasons, based on engagement)</i>	<i>Yes – values mapping exercise with cross-section of local and regional residents rated the trail and access to outdoor leisure activities as being of high importance</i>	<i>Yes – strong concern about blasting expressed in workshop and structured interviews with affected property residents and employees (one of the top five issues)</i>	...	

3.2 Application

The EIS is where the potential social impacts identified in the PEA (and any others that may have come to light since the PEA was lodged) are subject to more detailed analysis and evaluation and are prioritised for attention and action.⁵ It is also where the proponent should outline and justify the reasonableness of their proposed responses to the identified significant social impacts (including any proposed future monitoring and adaptive management arrangements), and make a case for the acceptability of any negative social impacts that it does not propose to mitigate and/or any residual negative social impacts after mitigation.

The EIS should meet the performance objectives specified below (at a minimum).

See **Appendix C** for key questions proponents should consider when reviewing whether their social impact assessment meets the requirements set out in these Guidelines.

EIS performance objective 1 – Appropriate qualitative and quantitative social baseline data is established that is relevant to the identified social impacts

The EIS should include a social baseline study that describes the social conditions and trends that exist in the locality 'without' the proposed development. It should comprise:

- a social profile that describes the potentially affected people and groups and the locality likely to be affected in social terms, building on the preliminary social profile prepared for the PEA; and
- suitable quantitative indicators and qualitative descriptions to establish the pre-existing conditions which are relevant to the potential social impacts (e.g. if the project is likely to result in a change to the distribution of income within a community, the social baseline study should establish what the current distribution of income is within that community).

These parameters should be selected carefully to ensure they capture the different ways in which a social impact may be distributed or experienced within the locality, rather than just reporting an average or majority view.

The social baseline study should also leverage data and analysis used in or generated by, other economic and environmental impact studies undertaken as part of the EIS, rather than duplicate that work.

The EIS should document any steps taken to check that the views and input of potentially affected people and groups have been faithfully and accurately captured and considered, and/or explain how their views and inputs have been taken into account. See **Appendix D** for further detail on potential sources for the social baseline study.

EIS performance objective 2 – The extent and nature of potential social impacts are predicted and analysed using accepted social science methods and assumptions

The EIS should describe and analyse the predicted extent and nature of the potential social impacts, with reference to the social baseline study.

The predictions and analysis should be based on accepted, suitable qualitative and quantitative social science research methods and credible, reasonable assumptions (which often relies on the expert judgement of the

⁵ An EIS is not required for applications to modify an existing development consent. Proponents considering a modification should seek advice from the Department about whether a social impact assessment is required prior to lodging an application.

preparer). It also requires input from the potentially affected people and groups, who are best placed to describe how the potential social impacts might affect and be experienced by them.

General analysis methods may include:

- trend extrapolations;
- population multipliers;
- comparative studies; and
- scenario analysis and modelling.

Chosen evidence (see **Appendix D** for example sources), analysis methods and assumptions should be clearly described and justified. Where relevant, sensitivity analysis should be conducted, and alternative (not just 'most likely') scenarios considered.

The results of other technical impact studies undertaken as part of the EIS should also be leveraged, where relevant. The preparer should determine whether or not those studies have already captured and responded to the social dimensions of the impact in question in a manner that is consistent with the performance objectives in these Guidelines. If the answer is 'yes' (and the preparer explains and justifies this conclusion), the social impact assessment can simply reference the findings and outputs from those studies. If the answer is 'in part' (and the preparer explains and justifies this conclusion), the social impact assessment can cross-reference the elements that are consistent and instead focus on gaps that need to be filled in order to meet the performance objectives in these Guidelines.

The EIS should document any steps taken to check that the views and input of potentially affected people and groups have been faithfully and accurately captured and considered, and/or explain how their views and inputs have been taken into account.

Box 2 – Notes on predicting and analysing impacts

Cumulative social impacts: an apparently inconsequential negative social impact considered in isolation and at one point in time and space may have significant ramifications when considered in association with other negative social impacts being experienced in that social context (whether associated with the project or other development). The potential cumulative effects of identified social impacts should be considered in the EIS.

Potential methods to consider include: an examination of causal impact pathways from the perspective of the affected community and social environments experiencing the impacts; trend analysis; and forecasting and modelling past, present and foreseeable future activities. This process, and the resulting significance assessment, should be explained in the EIS.

Interdependence of social impacts: impacts tend not to occur independently, or in isolation, as they can affect each other and have flow-on repercussions. For example, noise impacts may also affect psychological health; in turn, if experienced by many people, this may additionally affect broader community wellbeing. Similarly, avoiding or mitigating one impact may cause different impacts elsewhere. A complete understanding of potential social impacts requires appreciation of the interdependent, interactive nature of impacts and their mitigation.

Use of peer reviews: an independent peer review may be required to resolve issues that are disputed or contested.

EIS performance objective 3 – The EIS effectively draws attention to, and focuses effort on, the potential social impacts that are likely to be significant

Unlike many environmental impacts, social impacts do not have established 'standards' or 'limits' against which to test and establish their significance. As a result, assessing and prioritising social impacts for attention and action will, unavoidably, require the use of expert judgement.

The EIS should revisit the preliminary significance assessment completed in the PEA (and for any other social impacts identified in the meantime) and re-assess the social impacts against the same four impact characteristics (duration, extent, sensitivity and severity) and the level of concern felt by potentially affected people and groups. See Table 4 for the suggested worksheet for summarising the results of the preliminary significant assessment in the PEA, which can also be used for the EIS).

The process, evidence and assumptions used to assess social impacts against these factors should be clearly and accurately described and justified in the EIS.⁶ This should include steps taken to check that the views and input of potentially affected people and groups have been faithfully and accurately captured and considered, and/or explain how their views and input has been taken into account.

EIS performance objective 4 – Potential social impacts, particularly those assessed as being significant, have an appropriate response

Proponents should seek to genuinely avoid and minimise negative social impacts and capitalise on potential positive impacts and be able to demonstrate how this was undertaken.

The EIS should describe:

- proposed measures to mitigate significant negative social impacts (including negative cumulative effects);
- any measures required to secure or realise predicted positive social impacts, paying particular attention to those identified as the most significant; and
- any proposed strategies to enhance positive social impacts.

For each impact, the EIS should explain what options were considered, the reasons for selecting the proposed strategies, and the likely effectiveness of proposed strategies (including any limitations).

The views and needs of potentially affected people and groups should be considered and factored into the development of the proposed strategies. The EIS should document steps taken to check that the views and inputs of potentially affected people and groups have been faithfully and accurately captured and considered, and/or explain how their views and inputs have been taken into account.

Proposed strategies should also be linked to appropriate outcomes and indicators (or proxy indicators) to support effective future performance monitoring if consent is granted.

Commitments in relation to local government services and local roads and infrastructure will typically be formalised through a voluntary planning agreement negotiated between the relevant local council(s) and the proponent. Other commitments could potentially form the basis of a consent condition. Sufficient detail should be provided to support the development of such conditions.

⁶Multi-criteria analysis and risk assessment methods are commonly used as method for establishing the significance of predicted changes. For further detail, see Vanclay et al (2015). *Social impact assessment: Guidance for assessing and managing the social impacts of projects*. Fargo ND: International Association of Impact Assessment, p. 49.

Negative social impacts

Proponents should, in the first instance, seek to avoid significant negative social impacts. If avoidance is not possible, strategies to reduce significant negative impacts should be considered. Strategies to avoid or reduce negative social impacts will often involve changes to the project design and/or how the project is constructed, operated and/or decommissioned. See Box 2 for a hypothetical mitigation example.

Where multiple options to avoid or minimise impacts are available, they should be identified and considered and the preferred strategy justified.

When identifying appropriate mitigation strategies for significant negative social impacts, consideration should be given to:

- whether the strategies are reasonable and feasible, and the reasons why they may or may not be (should be documented and justified in the EIS);
- relevant Government policies (for instance, if the social impact relates to the experience of an environmental impact that, with mitigation, can be managed in a way that meets accepted Government standards, this may support an argument that no further action is required, but should not remove the need to consider the social dimension of the impact and, if it is significant, options to minimise it);
- roles and responsibilities (for instance, an indirect negative social impact of the project may be beyond the control of the proponent. In these circumstances, an appropriate mitigation strategy may be to take steps to notify the party/s that control the required levers, and, where possible, secure a commitment from the party/s to take action);
- the potential social impacts of the mitigation strategies (for instance, while the acquisition of a property may, in some cases, be an appropriate and effective mitigation strategy, it may have unintended negative consequences, e.g. if the acquired property is not properly maintained, or if the loss of the family who lived in that property becomes a 'tipping point' for the viability of the rest of the community);
- the views and needs of potentially affected people and groups; and
- whether there is a connection between the proposed mitigation strategy and the impact being mitigated, particularly if the strategy involves offsetting a negative impact with a positive impact.

The EIS should also include a table summarising the mitigation strategies proposed for significant negative social impacts (including measures to address any that are of high concern to potentially affected people and groups, but are not otherwise significant). It should also describe and justify the likely effectiveness of those strategies (including any limitations or assumptions) and describe any proposed targets, outcomes and/or performance standards for monitoring. A suggested format is provided in Table 6.

Table 6 – Format for summarising proposed mitigation strategies in the EIS

Matter (from Table 1)	Social impact	Proposed mitigation strategy(s)	Likely effectiveness	Proposed indicator(s) for monitoring
<i>e.g. Way of life</i>
...

Box 3 – Hypothetical mitigation example

Barrington Coal, a long-established open-cut coal mining operation in the Hunter Valley sought to extend its operations for another 20 years. The proposal involved closer encroachment on the neighbouring village.

As part of its environmental and social impact assessments, the company conducted technical noise studies, which found that blasting noise would be within statutory limits. It also held workshops with a cross-section of village residents to identify key concerns. In the workshops, most participants said they believed that blasting noise (both overpressure and ground vibration) would seriously disrupt their amenity and quality of life, even if it was within official limits and despite company assurances.

Earlier, a values-mapping exercise with residents had found that a quiet, rural lifestyle was deeply valued by many residents, even though they were accustomed to mining in the region. In response, Barrington Coal proposed a range of practical actions to minimise and mitigate the impacts, combined with communications and engagement to build relationships and trust.

Firstly, blasting will only occur on weekdays between 12-2pm, and will be postponed if weather conditions were likely to exacerbate impacts. A Barrington Coal representative will call affected residents at least two hours before blasting. A warning siren will also be sounded five minutes before blasting. The blasting schedule will be coordinated with other operations locally to minimise cumulative effects.

Secondly, near neighbours will be able to have a say on the company's proposed draft Noise Management Plan, and the proponent will report back on how their views and input has been taken into account. Monitoring results will be available on the company's website.

Finally, Barrington Coal will issue near neighbours with diaries in which to record their experiences of blasting noise, and what effect this noise had on their everyday lives. Community liaison officers would discuss diary records with residents, and compare them with technical records. A discrepancy between technical measures and the experience of at least five residents would trigger a review of blasting operations.

Positive social impacts

If a positive social impact will require certain steps to be taken before it can be realised, these steps should be clearly explained in the EIS. Proponents should also consider strategies to enhance positive social impacts, particularly in the local community and surrounding region where the project is located, and ensure that benefits are distributed as equitably as possible.

This should include planning for and implementing strategies to secure or enhance positive social outcomes post-project closure and leave a positive legacy. Where appropriate, effective strategies to enhance the project's positive social impacts may also serve as strategies to minimise negative social impacts. In these cases, the connection between the mitigation and impact should be examined and described.

Strategies for securing or enhancing the positive social impacts of a project may include: social investment funding allocated in accordance with transparent, equitable criteria; commitments to local employment and local procurement (local content); contributions towards, or the development of, shared infrastructure; community capacity building; and facilitating or supporting community initiatives.

EIS performance objective 5 – Appropriate monitoring and adaptive management strategies are proposed

The analysis and research conducted for the social impact assessment process provides a foundation for the ongoing monitoring and adaptive management of social impacts over the life of a SSD resource project.

This does not involve a complete 're-run' of the social impact assessment process. Rather, an adaptive management approach should involve the following core elements:

- monitoring predicted impacts;
- identifying processes for responding to unforeseen impacts;
- monitoring the effectiveness of mitigation and enhancement strategies based on agreed indicators;
- research to reduce key uncertainties;
- periodic evaluation of the outcomes of implementation, followed by reviewing and adjusting strategies;
- establishing an efficient and effective compliance system – i.e. actions to implement when compliance is at risk or non-compliance has occurred; and
- periodic public reporting of results.

Monitoring and adaptive management of social impacts will generally be required by conditions of approval.

Proponents should outline suitable and proportionate social impact monitoring and adaptive management arrangements for the project that include the above elements in the EIS, including proposed timing and frequency of monitoring and public reporting of results.

Proponents should consider strategies to involve potentially affected people and groups in the adaptive management approach, including (but not limited to) grievance and feedback mechanisms, and the role to be played by the Community Consultative Committee established in accordance with the Department's *Community Consultative Committee Guidelines – State Significant Projects*.

Part 4 – Assessment, determination and post-approval stages

4.1 Assessment

Development applications for SSD resource projects are assessed by the Department. The Department's assessment and recommendation are set out in the Department's Environmental Assessment Report. This report is referred to the consent authority.

4.2 Determination

As with all SSD proposals, the consent authority will undertake a comprehensive assessment of the impact of the proposal on the environment as required by section 79C of the EP&A Act.

The matters that a consent authority will consider when determining a project include, for example:

- the suitability of the site for the project;
- submissions made by the local community, stakeholders and government authorities;
- the 'likely impacts of [the] development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality.'
- the relevant provisions of any environmental planning instrument (e.g. Local Environmental Plans, State Environmental Planning Policies) which regulates the permissibility of types of development in certain areas or provides other legally binding development requirements; and
- the public interest which includes consideration of the objects of the EP&A Act.

The objects of the Act relevant to social impact assessment include:

- encourage the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment;
- encourage the provision and co-ordination of community services and facilities;
- encourage ecologically sustainable development; and
- provide increased opportunity for public involvement and participation in environmental planning and assessment.

See **Appendix E** for a more detailed overview of key regulatory requirements for social impacts and SSD resource projects.

In relation to social impacts, the matters the consent authority may consider in relation to social impacts include, for example:

- the significance (likelihood, duration, extent, sensitivity, severity, and level of concern or interest to potentially affected people or groups) and overall acceptability of the potential social impacts;
- any cumulative social effects associated with the application and other existing or known future SSD resource projects and other developments;
- the suitability of the proposed mitigation and management measures (including the proposed monitoring and adaptive management arrangements);
- the acceptability of any residual negative social impacts when considered along with positive social impacts and other environmental and economic considerations; and/or
- matters assessed as part of the PEA and EIS.

In considering whether to grant development consent, the consent authority will weigh up the acceptability of the economic, social and environmental impacts (positive and negative) of the project. This will involve a consideration of whether clear and enforceable conditions can be imposed for strategies that mitigate those impacts to an acceptable level.

The consent authority may conclude that the negative impacts warrant refusal of the project.

4.2.1 Conditions of consent

If consent is granted, it will be subject to a range of conditions for managing the impacts of the project. The conditions may require, for example:

- obligation(s) to meet a performance outcome or objective;
- obligation(s) to implement specific mitigation measures;
- obligation(s) to monitor actual versus predicted impacts;
- obligation(s) to monitor the effectiveness and outcomes of any mitigation strategies in accordance with agreed performance indicators; and
- reporting and auditing requirements.

Proposed adaptive management strategies could potentially be designed into conditions by, for example:

- setting an outcome and requiring the proponent to monitor performance against that outcome;
- requiring the proponent to report to the Department and community (e.g. via the project's website or the project's Community Consultative Committee) on performance against that outcome;
- where the mitigation strategy(s) for the impact is not reaching the outcome, requiring the proponent to report to the Department and community (e.g. via the project website or the project's Community Consultative Committee) with a new mitigation strategy(s) to meet the outcome; and/or
- requiring the proponent to notify the Department and community (e.g. via the project website or the project's Community Consultative Committee) when certain events occur.

4.3 Post-approval

Following any decision to grant development consent for a SSD resource project, the proponent must comply with the conditions of that development consent and should implement the monitoring and adaptive management strategies outlined and committed to in the EIS.

All operators of SSD resource projects must prepare an Annual Review that provides a summary of the performance of the operation over the relevant reporting period (generally the preceding calendar year). This should include performance relating to any social impact obligations.

The Department is responsible for ensuring that the approved project is constructed and operated in accordance with the conditions of the development consent and taking enforcement action when required. The Department's compliance and enforcement framework provides for regular, transparent checks of an operation's compliance with the development consent and any approval conditions. Further information about compliance and enforcement for SSD resource projects can be found on the Department's website.

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Appendices

Appendix A – SSD resource project features to consider when identifying social impacts

SSD resource projects often have features that set them apart from other forms of major development, and/or have a strong influence on the associated social changes and impacts. Understanding these features can be helpful in framing the social impact assessment for SSD resource projects. Key features include (but are not limited to):

- **sensitivity to market forces** – including ‘boom and bust’ cycles and the up- and down-scaling of projects that can occur in response to market changes;
- **scale** – including the project ‘footprint’ and area of influence, and the size of the investment and operating revenue and expense flows;
- **extended, evolving life-cycle** – construction, operation, closure, and and potential legacy (including the form of the post-mining landscape);
- **the inherent uncertainties associated with resource exploration and development** – e.g. incremental expansion of the project as additional resources are discovered or accessed, and changes to project timeframes in response to investment availability;
- **location** – often located in:
 - regional or remote areas with smaller communities (including Aboriginal peoples and groups) that may be more sensitive to certain social changes (relative to metropolitan areas or large regional centres); and/or
 - areas where there are already established resource projects and/or other established forms of land use and development (e.g. agriculture), which will require consideration in relation to cumulative effects;
- **workforce** – e.g. will often need to bring employees in from other areas (including ‘fly-in-fly-out’ and ‘drive-in-drive-out’) who require local accommodation, and the scale of that workforce will fluctuate at different stages in the project life-cycle;
- **transport and logistics requirements** – e.g. employee travel to and from the project site, and transporting extracted resources to market; and
- **resource-specific features** – e.g.:
 - onshore oil and gas extraction projects are often geographically dispersed and have a lower concentration of surface infrastructure. Surface rights-holders may also be using the land concurrently (e.g. for agriculture);
 - quarrying and sand mining are often located close to population centres and major construction sites; and
 - differences in mineral extraction methods (e.g. open cut, underground).

Appendix B – Engagement and participation

Inclusive engagement with potentially affected people and groups and other interested parties forms an essential part of a good social impact assessment process, and is a critical tool for primary data collection for that process.

Engagement for social impact assessment may involve varying degrees and methods of engagement and participation. Methods of engagement vary in the degree of community participation – from simply providing information, through consultation, participation and deliberation, to delegating decision-making.

A combination of techniques, formal and informal, should be used so that all community members and groups – not only ‘opinion leaders’ – have the opportunity to engage in ways that suit their needs, and to maximise the representativeness and diversity of perspectives. They should make particular effort to include marginalised groups in appropriate ways. These methods could include:

- impromptu discussions and informal conversations;
- public displays, briefings and meetings;
- contact points for providing information and discussing concerns and complaints (e.g. hotlines, websites, shopfronts);
- direct mail and newsletters;
- community liaison and advisory groups;
- workshops and focus groups; and
- open days and site visits.

Common methods for analysing stakeholders and their interests include:

- stakeholder mapping;
- stakeholder matrix;
- values mapping;
- issues mapping; and
- community visioning.

In general, informal conversations combined with information provision are useful for building relationships and shared understanding in the early project stage, whereas more structured activities such as focus groups and stakeholder workshops are more appropriate as project design develops.

Critical stages, when maximum community participation is required, are: when scoping the potential social impacts of the project and understanding the views, values and aspirations of the different potentially affected people and groups; and when designing responses to likely social impacts.

For further information, see (as a starting point):

- Australian Government (2016). *Community Engagement and Development: Leading Practice Sustainable Development Program for the Mining Industry*. Canberra: Department of Industry – <http://www.industry.gov.au/resource/Documents/LPSDP/LPSDP-CommunityEngagement.pdf>.
- International Association for Public Participation Australasia (2015). *Quality Assurance Standard for Community and Stakeholder Engagement* – https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2_Quality_Assurance_Standard_2015.pdf.

Engaging potentially affected Aboriginal peoples

Consultation and engagement with Aboriginal peoples should adopt human-rights principles and cultural sensitivity. In practice, this means:

- recognising and respecting Aboriginal peoples' rights;
- respecting specific Aboriginal cultural practices, particularly in decision-making processes;
- having regard for both tangible and intangible forms of cultural heritage;
- ensuring Aboriginal peoples' free, prior and informed consent; and
- clearly identifying how knowledge shared will be used and not used, and how it will influence decisions.

For further information, see (as a starting point):

- Australian Human Rights Commission (AHRC) (2012). *Aboriginal and Torres Strait Islander Peoples Engagement Toolkit*. Sydney: AHRC – [https://www.humanrights.gov.au/sites/default/files/content/pdf/about/Aboriginal%20and%20Torres%20Strait%20Islander%20Peoples%20Engagement%20Toolkit%202012%20\(pdf\).pdf](https://www.humanrights.gov.au/sites/default/files/content/pdf/about/Aboriginal%20and%20Torres%20Strait%20Islander%20Peoples%20Engagement%20Toolkit%202012%20(pdf).pdf).
- Hunt, J. (2013). *Engaging with Indigenous Australia - exploring the conditions for effective relationships with Aboriginal and Torres Strait Islander communities – Issues paper no. 5 produced for the Closing the Gap Clearinghouse*. Canberra: Australian Institute of Health and Welfare, and Melbourne: Australian Institute of Family Studies – <http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Publications/2013/ctgc-ip5.pdf>.
- International Council on Mining and Metals (ICMM) (2015). *Indigenous Peoples and Mining – Good practice guide – 2nd edition*. London: ICMM – <http://www.icmm.com/publications/pdfs/9520.pdf>.

Appendix C – Review questions

Proponents should consider the questions below when reviewing whether their social impact assessment meets the requirements set out in these Guidelines.⁷

General

1. How does the SIA comply with the principles set out in the Guidelines?
2. How does the SIA comply with the performance objectives set out in the Guidelines for the EIS (as relevant)?
3. Have the name, qualifications and experience of the person preparing the social impact assessment (or the principal preparer, if prepared by a team) been provided, along with the date on which the assessment was completed? Has the preparer certified that the assessment does not contain false or misleading information?

Identification of potentially affected people and groups

4. How does the SIA include adequate discussion of the area potentially affected in social terms? How?
5. Does the SIA include an adequate stakeholder analysis and reasonable identification and description of the different social groups within the region? How?
6. Does the SIA adequately identify and describe the characteristics of the multiple affected stakeholder groups, especially aspects of their culture, economy, or livelihoods that may make them particularly susceptible to change? How?

Engagement with potentially affected people and groups

7. Does the SIA include adequate explanations of how the engagement objectives have been applied? How?
8. Does the SIA demonstrate that there has been a genuine attempt to identify and engage with a wide range of stakeholders, to inform them about the project and its implications, and to invite their input? How?
9. Does the SIA demonstrate that an appropriate range of engagement methods have been used to ensure inclusivity, and to ensure the participation of commonly marginalised groups? How?
10. Does the SIA demonstrate that appropriate participatory processes were established early enough for the input from these processes to influence the SIA and the design of the project? How?

Preliminary social profile and social baseline study

11. Does the SIA discuss the local context in sufficient detail to demonstrate a reasonable understanding of current social concerns and aspirations? How?
12. Does the SIA include appropriate justification for each social indicator in the baseline, and demonstrate that the indicators reflect the diversity of views in the affected community? How?
13. Does the SIA include an appropriate blend of quantitative and qualitative indicators, and a discussion of data gaps and limitations? Are appropriate targets and benchmarks established for each social indicator? How?

Prediction and analysis of impacts

14. Does the SIA include an appropriate description of the potential impacts in terms of the nature and severity of the change and the location, number, sensitivity and vulnerability of the affected stakeholders? How?
15. Does the SIA appropriately identify and justify any assumptions that may have been made? How?
16. Does the SIA include an appropriate sensitivity analysis to allow for uncertainty and, if relevant, include comparisons with studies of similar projects elsewhere? How?

Establishment of significance

17. Does the SIA adequately explain how impacts were prioritised in terms of significance? How?
18. Does the assessment of significance consider cumulative aspects where relevant? How?

⁷ These review questions are generally adapted from Vanclay et al, 2015.

19. Does the assessment of significance adequately consider the uneven experience of impacts by different people and groups, especially vulnerable groups? How?

Mitigation of negative impacts and enhancement of positive impacts

20. Does the SIA explain the extent and significance of residual impacts, and strategies for managing them? How?
21. Does the SIA identify appropriate strategies to avoid, reduce or otherwise mitigate any significant negative impacts of the project, and explain the reasons for choosing those measures? How?
22. Does the SIA adequately consider strategies to secure and/or enhance positive social impacts? How?
23. Does the SIA propose an appropriate monitoring and adaptive management strategies? How?

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Appendix D – Sources for social baseline study and impact analysis

The scope and content of the social baseline study should be tailored to the specific project context and only include indicators and information that are useful and meaningful for the social impact assessment. It can also include ‘trend-lines’ that document the trajectory of a change over time and give a dynamic benchmark against which potential impacts can be anticipated and change measured.

The social baseline study and the impact analysis should draw on a range of primary and secondary data sources. The primary data should be recent and, ideally, include data collected by the preparer of the social impact assessment. It could be collected via surveys, interviews, community forums and workshops, and other established methods for public participation. Primary data collected by the proponent during the course of previous stakeholder and community engagement and consultation activities for the project can also be drawn on.

Relevant secondary data sources may include (but are not limited to):

- demographic and other data (e.g. health) available from the Australian Bureau of Statistics, Commonwealth and State government agencies, and local government;
- published scientific literature, including specialised anthropological, ethnographic, genealogical, or epidemiological studies, and longitudinal studies such as the Household, Income and Labour Dynamics in Australia (HILDA) survey;
- government-authored strategic policies, plans and documents (e.g. Local Environment Plans, Regional Plans, and local social and economic development strategies);
- high-quality ‘grey literature’ (i.e. research that is unpublished or published in non-commercial form, such as government reports or issue papers, conference papers, theses and dissertations, research reports); and
- previous social impact assessments for similar SSD resource projects and/or other forms of development in the locality.

To minimise potential duplication, SSD resource projects applying the *Guideline for the economic assessment of mining and coal seam gas proposals* can draw on the indicators included in the local effects analysis and the base case for the cost benefit analysis. Data collected for environmental studies may also be relevant to the social baseline study.

Regardless of the source, a systematic approach should be taken to all data collection for the social baseline study. Care should also be taken when interpreting and determining the value of data, with particular attention paid to:

- whether it was collected in a credible and rigorous way;
- any potential limitations;
- differences in definitions and/or collection conditions and methods between sources;
- the qualifications and expertise of the author and any potential biases; and
- if the validity of the data is unclear, what other sources say on the issue.

Appendix E – Key regulatory requirements for social impacts and SSD resource projects

EP&A Act – Definitions	The Act defines ‘environment’ as ‘all aspects of the surroundings of humans, whether affecting any human as an individual or in his or her social groupings’.
EP&A Act – Objects	<p>Relevant objects include:</p> <ul style="list-style-type: none"> • Encourage ‘the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment’. • Encourage ‘the provision and co-ordination of community services and facilities’. • Encourage ‘ecologically sustainable development.’ • ‘Provide increased opportunity for public involvement and participation in environmental planning and assessment.’
EP&A Act – s 79C(1)(b)	<p>The consent authority must consider: the ‘likely impacts of [the] development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality.’</p> <p>The term ‘locality’ does not have a prescribed meaning or refer to a fixed geographic boundary. Rather, the extent of the locality should be construed on a case by case basis, having regard to the circumstances of the proposed development.</p> <p>When the Minister for Planning refers State significant resource projects to the independent Planning Assessment Commission, the terms of reference also specifically direct the Commission to consider the regional and state-wide impacts of a proposed development, including social impacts.</p>
EP&A Act – s 79C(1)(e)	In determining a development application, the consent authority must take into consideration (as relevant) the public interest.
<i>State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP) – Clause 12</i>	<p>The consent authority must:</p> <ol style="list-style-type: none"> a) consider: <ol style="list-style-type: none"> i. the existing uses and approved uses of land in the vicinity of the development, and ii. whether or not the development is likely to have a significant impact on the uses that, in the opinion of the consent authority having regard to land use trends, are likely to be the preferred uses of land in the vicinity of the development, and iii. any ways in which the development may be incompatible with any of those existing, approved or likely preferred uses, and b) evaluate and compare the respective public benefits of the development and the land uses referred to in paragraph (a) (i) and (ii), and c) evaluate any measures proposed by the applicant to avoid or minimise any incompatibility, as referred to in paragraph (a) (iii).
EP&A Regulation 2000 – Schedule 2, Part 3, Cl. 7	The EIS is required to, among other things, contain an analysis of the likely impact on the environment (as defined by the EP&A Act), and ‘the reasons justifying the carrying out of the development, activity or infrastructure in the manner proposed, having regard to biophysical, economic and social considerations, including the principles of ecologically sustainable development’.