Integrating SIA in regulatory processes for major development projects

Dr Richard Parsons, SIA Specialist
Planning and Environment

Overview

1. Context – SIA in NSW
2. SIA for major projects in NSW
3. Key features of the NSW SIA guideline
4. Comparisons with World Bank Environmental and Social Framework
5. What does 'good' look like?
1. Context – New South Wales, a diverse state

- NSW population >8 million (Australia ≈ 26 million)
- About 3.4% are Aboriginal, and one third of all Aboriginal people live in NSW.
- Almost a third of NSW residents were born overseas
- More than 275 different languages spoken
- Economy ≈ $3 trillion (one third of Australia's output)
- Unemployment rate (2016):
  - Aboriginal people 15% of the total labour force
  - non-Aboriginal people 6% of the total labour force

Sources:
The Environmental Planning and Assessment Act (1979) objects include:

- to promote the social and economic welfare of the community
- to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making.

The Act defines ‘environment’ as including “all aspects of the surroundings of humans, whether affecting any human as an individual or in his or her social groupings.”

Regional, district and local plans need to “have regard to economic, social and environmental matters.”

Development applications require a consent authority to consider …the likely impacts of development, including “social and economic impacts in the locality.”
Legislation required social impacts to be considered, but no state-level guidance on how to do so. (Some local councils provided guidelines).

This policy gap had led to:

- inconsistency
- uncertainty
- community distrust

in a context of pressure on:

- regional communities from extractive industries
- Sydney communities from rapid urban development

All ‘state significant’ projects, i.e. those:

- over a certain size
- over a certain capital investment value
- in an environmentally sensitive area.

E.g. manufacturing, energy, pipelines, rail/road infrastructure, waste facilities, schools, hospitals
2. SIA for major projects in NSW

**EIA process**
- Project development and scoping
- Request SEARS
- Prepare and lodge EIS
- Department assessment
- Post approvals

**SIA process**
- SIA scoping: Worksheet
- SIA report
- Social impact management: SIMP (if required)
3. Key features of the NSW SIA guideline

- Based on IAIA guidance 2015
- Defines a ‘suitably qualified person’
- Principles-based
- Social science approach
- Informed by engagement outcomes
- Scalable/proportionate – identifies typical social impacts for different development types (see App. B of SIA Tech. Supplement)
- Assess positive, negative, and cumulative
- Scoping worksheet to promote early assessment.
## Scoping worksheet (template)

<table>
<thead>
<tr>
<th>PROJECT ACTIVITIES</th>
<th>CATEGORIES OF SOCIAL IMPACTS</th>
<th>POTENTIAL IMPACTS ON PEOPLE</th>
<th>PREVIOUS INVESTIGATION OF IMPACT</th>
<th>CUMULATIVE IMPACTS</th>
<th>ELEMENTS OF IMPACTS - Based on preliminary investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which project activity / activities could produce social impacts?</td>
<td>Which social impact categories could be affected by the project activities</td>
<td>What impacts are likely, and what concerns/aspirations have people expressed about the impact? NB. Where there are multiple stakeholder groups affected differently by an impact, or more than one impact from the activity, please add an additional row.</td>
<td>Is the impact expected to be positive or negative?</td>
<td>Has this impact previously been investigated (on this or other project(s))? Briefly describe the previous investigation or identify the other project and investigation.</td>
<td>Will this impact combine with others from this project (think about when and where), and/or with impacts from other projects (cumulative)?</td>
</tr>
<tr>
<td>way of life</td>
<td>community</td>
<td>accessibility</td>
<td>culture</td>
<td>health and wellbeing</td>
<td>surroundings</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## 4. Comparisons with the World Bank Environmental and Social Framework (ESF)

<table>
<thead>
<tr>
<th>NSW</th>
<th>ESF</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Principles-based approach, deriving from NSW legislation and the public interest.</td>
<td>- Risk-based approach, deriving from the Bank’s requirements as an investor.</td>
</tr>
<tr>
<td>- Dedicated guidance for SIA methods &amp; content, to integrate with EIA.</td>
<td>- No dedicated guidance for SIA content, but dedicated standards on specific topics, e.g. resettlement, and for different sectors.</td>
</tr>
<tr>
<td>- All SIA guidance is in one place – helps to communicate expectations.</td>
<td></td>
</tr>
</tbody>
</table>

Perhaps the two frameworks can be complementary?
5. What does 'good' look like?

1. Achieves better outcomes
2. Integrates Indigenous knowledge and local voices
3. Spreads SIA effort across the lifecycle
4. Considers distributive equity
5. Assesses positive social impacts
Good SIA 1: Achieves better outcomes

The NSW guideline requires proponents to:

• Refine the project design in response to identified social impacts.

• Propose actions in response to 'residual' social impacts, and that are:
  o tangible
  o durably effective
  o deliverable by the proponent.

• Monitor and adaptively manage social impacts.

Larger projects require a Social Impact Management Plan (SIMP):

• prepared by the proponent
• approved by the Department
• implemented by the contractor(s).
## Example SIMP monitoring mechanism

<table>
<thead>
<tr>
<th>Impact / Opportunity</th>
<th>Mitigation / Opportunity</th>
<th>Desired Community Outcome</th>
<th>Indicators</th>
<th>Target</th>
<th>Adaptive measure if target not met</th>
<th>Data to be collected</th>
<th>Methodology</th>
<th>Monitoring frequency</th>
<th>Monitoring responsibility</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Way of life</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Livelihoods</strong></td>
<td>Local Aboriginal participation in project</td>
<td>Improvements for local Aboriginal people’s way of life, livelihoods and wellbeing through meaningful participation in the local economy</td>
<td>Proportion of project workforce identifying as Aboriginal on the (contractor and subcontractor) Workforce participation post-training Skill development program</td>
<td>Workforce participation = 1.5 times local population who identify as Aboriginal 50% of those who complete the project-sponsored training and skill development gain employment (4+ weeks of work, 8+ hrs/week)</td>
<td>Justification and alternative legacy co-designed with local Aboriginal community</td>
<td>Number of workers identifying as Aboriginal employed (contractor and subcontractor) Number of people (and hours worked) gaining employment post-training and participating in skill development programs</td>
<td>Source data from: 1. Contractor and subcontractor monthly reporting 2. Training provider monthly reporting</td>
<td>Three-monthly from construction through to operation</td>
<td>Skills Development team</td>
<td>Stakeholder reporting e.g., website update and newsletter to stakeholders (six-monthly)</td>
</tr>
<tr>
<td><strong>Wellbeing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community cohesion</strong></td>
<td>Worker (Contractor &amp; subcontractor) Code of Conduct as part of Workforce Plan</td>
<td>No adverse impacts deriving from the project workforce in the community Crime rates Community experiences and perceptions, especially among vulnerable people</td>
<td>No statistical increase in crime rates No adverse change in community experience and perceptions, against a baseline</td>
<td>Review disciplinary measures in accordance with Code of Conduct (Workforce Plan) Proactive community engagement activities</td>
<td>Local police crime statistics Community self-rating of safety. E.g. If there is anywhere they don’t feel safe, why?</td>
<td>Local police data Community Perception Survey, with particular focus on vulnerable people Informal engagement</td>
<td>Ad hoc &amp; as per stakeholder engagement plan Community Engagement Team (six-monthly) and independent annual monitoring</td>
<td>Continuous through operation</td>
<td>Stakeholder reporting e.g., website update and newsletter to stakeholders (six-monthly)</td>
<td></td>
</tr>
</tbody>
</table>
Good SIA 2: Integrates Indigenous knowledge and local voices (1)

The NSW guideline requires proponents to:

• consider the unique ways in which Aboriginal people may experience a project, including ‘cultural or spiritual loss’.

• practise a range of engagement techniques to suit each group’s needs, and use outcomes to inform the SIA.
Good SIA 2: Integrates Indigenous knowledge and local voices (2)

Everyone has a voice – but not everyone is heard

The NSW guideline requires proponents to actively seek the views of all groups in the community.

...there’s really no such thing as the ‘voiceless’. There are only the deliberately silenced, or the preferably unheard.

— Arundhati Roy
Good SIA 3: Spreads SIA effort across the lifecycle

The NSW guideline supports a lifecycle approach.

• SIA is a process, not a product.
• Social impacts begin early, so SIA also should begin early.
• Social impacts can continue long after the project ends and the proponent has left the community.

Level of SIA effort over the project lifecycle

- Approval focus
- Lifecycle focus
The NSW guideline requires focus on the distribution of impacts – intragenerational and intergenerational:

“how different groups will experience social impacts differently (particularly vulnerable and marginalised groups, future generations compared with current generations, and differences by gender, age and cultural group).”

(SIA guideline, p. 10)

Potential vulnerable and marginalised groups – depends on context but may include:

- Indigenous peoples
- women
- isolated elderly people
- children and young people
- single-parent households
- those on very low incomes
- those living with disabilities or poor health
- ethnic minorities, migrants, those who are culturally and linguistically diverse (CALD) or those from non-English speaking backgrounds
- those experiencing homelessness or insecure housing
- those living outside metropolitan areas
- those who are unable or unwilling to express or represent themselves and their needs

Example – influx of construction workers

<table>
<thead>
<tr>
<th>Impact</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>local livelihoods</td>
<td>positive</td>
</tr>
<tr>
<td>public safety, especially for women</td>
<td>negative</td>
</tr>
<tr>
<td>sense of place / community character</td>
<td>mixed/uncertain</td>
</tr>
</tbody>
</table>
The NSW guideline requires **analysis** (not just assertion) of **positive social impacts**, to enable a **balanced assessment**.
Some reflections on integrating SIA in regulatory processes

• Developing and implementing a regulatory framework for SIA takes time and effort.
• Senior executive support is critical.
• Technically competent leadership needed:
  o to develop tools and advice
  o to prepare and deliver in-house training and ongoing capacity building
  o to support, advise and respond to industry and practitioners
  o to build community trust in the system.
• Change is difficult and threatening for some people:
  
  Engage…build capacity…engage…build capacity…engage…..
Thank you!

Dr Richard Parsons
Richard.Parsons@planning.nsw.gov.au