



Social impact assessment guideline

*For State significant mining,
petroleum production
and extractive industry
development*

September 2017



Planning &
Environment

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Introduction

Purpose of this guideline

State significant resource projects (that is, State significant mining, petroleum production and extractive industry projects) can create both positive and negative social impacts. This guideline provides direction on assessing these impacts in the context of the environmental impact assessment (EIA) process under the *Environmental Planning and Assessment Act 1979* (EP&A Act).

In this guideline, social impact assessment (SIA) is the process of identifying, predicting, evaluating and developing responses to the social impacts of a proposed State significant resource project, as part of the overall EIA of that project. SIA is not a one-size-fits-all process. It needs to be proportionate and tailored to suit the project's context and the nature and scale of its impacts.

State significant resource project applicants, professionals engaged in the assessment of social impacts associated with those projects, and the wider community should use this guideline. Assessment officers in the Department of Planning and Environment will also use the guideline when reviewing SIA-related information submitted by applicants at different phases in the EIA.

This guideline provides information on:

- what social impacts are and how to integrate SIA into different EIA phases ([Section 1](#))
- what level of community and stakeholder engagement is expected for SIA activities ([Section 2](#))
- what SIA information project applicants are expected to provide:
 - in the scoping phase of EIA ([Section 3](#))
 - in the environmental impact statement (EIS) preparation phase of EIA ([Section 4](#))
- how SIA information is considered in the assessment, determination and post-approval stages of EIA ([Section 5](#))
- key terms in the form of a glossary ([Section 6](#)).

This guideline should be read in conjunction with relevant draft guidelines in the Department's draft EIA Guidance Series (2017), including:

- [Community and stakeholder engagement](#)
- [Approach to setting conditions](#)
- [Scoping an environmental impact statement](#)
- [Modifying an approved project](#)
- [Preparing an environmental impact statement](#)
- [Peer review.](#)

This guideline will be updated to reflect the final guidelines in the EIA Guidance Series; and it will be reviewed from time to time as needed.

Objectives of this guideline

The objectives of this guideline are to:

- provide a clear, consistent and rigorous framework for identifying, predicting, evaluating and responding to the social impacts of State significant resource projects, as part of the overall EIA process
- facilitate improved project planning and design through earlier identification of potential social impacts
- promote better development outcomes through a focus on minimising negative social impacts and enhancing positive social impacts
- support informed decision-making by strengthening the quality and relevance of information and analysis provided to the consent authority
- facilitate meaningful, respectful and effective community and stakeholder engagement on social impacts across each EIA phase, from scoping to post-approval
- ensure that the potential social impacts of approved projects are managed in a transparent and accountable way over the project life cycle through conditions of consent and monitoring and reporting requirements.

Application of this guideline

This guideline applies to all applications for development consent for State significant resource projects where the Secretary's Environmental Assessment Requirements (SEARs) are issued after the date of publication of this guideline.¹²³

This guideline also applies to applications to modify an approved State significant resource project where:

- the application is submitted after the date of publication of this guideline
- the social impacts associated with the proposed modification are new or different (in terms of scale and/or intensity) to those that were approved under the original consent.

This guideline will not apply to modification applications that are of an administrative nature (that is, to rectify a minor error, misdescription or miscalculation).⁴

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

¹ The general approach outlined in this guideline can be applied to other State significant projects at the discretion of the applicant.

² Refer to Part 2 clause 8, and Schedule 1 clauses 5-7 of State Environmental Planning Policy (State and Regional Development) 2011 for further detail on which resource projects have been declared to be State significant development.

³ Resource projects are defined in Part 1 clause 3 of the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 and include development for the purpose of:

- mining – the removal of minerals, including coal, by methods such as excavating, dredging, or tunnelling, and including: the construction, operation and decommissioning of associated works; the stockpiling, processing, treatment and transportation of materials extracted; and the rehabilitation of land affected by mining
- petroleum production (oil and gas, including coal seam gas) – the recovery, obtaining or removal of petroleum, and including: the construction, operation and decommissioning of associated petroleum related works; the drilling and operation of wells; and the rehabilitation of land affected by petroleum production
- extractive industry – the removal of sand, gravel, clay, soil, rock, stone or similar substances by methods such as excavating, dredging, or quarrying, and including the storing, stockpiling or processing of extractive materials by methods such as recycling, washing, crushing, sawing or separating.

⁴ Section 96(1) of the EP&A Act.

If this guideline does apply, the methodology outlined in Sections 3 (Scoping the SIA for the EIS) and 4 (Preparing the SIA for the EIS) of this guideline should be followed to identify, predict, evaluate and respond to the social impacts of the proposed modification. This analysis should also be informed by appropriate community engagement (see Section 2 for further detail on what that engagement may involve).

Transitional arrangements

The transitional arrangements in Table 1 will apply for State significant resource project development applications with SEARs issued before the date of publication of this guideline.

Table 1: Transitional arrangements for State significant resource project development applications

#	Project category	Transitional arrangements
1	Currently preparing an environmental impact statement and expected to submit development application and environmental impact statement in six months or more	The Department, in consultation with the applicant, will re-issue the Secretary’s Environmental Assessment Requirements to require the social impact assessment component of the environmental impact statement to be prepared in accordance with this guideline.
2	Currently preparing an environmental impact statement and expected to submit development application and environmental impact statement in less than six months	The Department may, if needed, request additional information on, or assessment of, specified social impacts identified in the submitted environmental impact statement or in submissions received during the public exhibition period, in accordance with this guideline.
3	Development application and environmental impact statement have been submitted	The Department may, if needed, require additional information on, or assessment of, specified social impacts identified in the environmental impact statement, submissions received during the public exhibition period, or the Response to Submissions Report, in accordance with this guideline.

1

Social impact assessment for State significant resource projects



1.1 What are social impacts?

In the context of this guideline, a social impact is a consequence experienced by people⁵ due to changes associated with a State significant resource project. As a guide⁶, social impacts can involve changes to people's:

- **way of life**, including:
 - how people live, for example, how they get around, access to adequate housing
 - how people work, for example, access to adequate employment, working conditions and/or practices
 - how people play, for example, access to recreation activities
 - how people interact with one another on a daily basis
- **community**, including its composition, cohesion, character, how it functions and sense of place
- **access to and use of infrastructure, services and facilities**, whether provided by local, state, or federal governments, or by for-profit or not-for-profit organisations or volunteer groups
- **culture**, including shared beliefs, customs, values and stories, and connections to land, places, and buildings (including Aboriginal culture and connection to country)
- **health and wellbeing**, including physical and mental health⁷
- **surroundings**, including access to and use of ecosystem services⁸, public safety and security, access to and use of the natural and built environment, and its aesthetic value and/or amenity⁹
- **personal and property rights**, including whether their economic livelihoods are affected, and whether they experience personal disadvantage or have their civil liberties affected
- **decision-making systems**, particularly the extent to which they can have a say in decisions that affect their lives, and have access to complaint, remedy and grievance mechanisms
- **fears and aspirations** related to one or a combination of the above, or about the future of their community.

⁵ 'People' includes individuals, households, groups, communities, organisations and the NSW population generally.

⁶ Adapted from the definition endorsed by International Association of Impact Assessment and outlined in: Vanclay, F. (2003). International Principles for Social Impact Assessment. *Impact Assessment & Project Appraisal* 21(1): 5-11.

⁷ The World Health Organization defines health as a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity. For this guideline, wellbeing is a state in which people have their basic needs met, can realise their potential, can cope with the normal stresses of life, can work productively and fruitfully, and can participate in their community. See: Smyth, E. and Vanclay, F. (2017). The Social Framework for Projects: a conceptual but practical model to assist in assessing, planning and managing the social impacts of projects. *Impact Assessment and Project Appraisal*, 35:1, p. 78; Schirmer, J., et al. (2016), *Wellbeing, resilience and liveability in rural and regional Australia: The 2015 Regional Wellbeing Survey*, University of Canberra, p. 23; and OECD. (2011). *How's life?: measuring well-being*. OECD Publishing, p. 18: <http://dx.doi.org/10.1787/9789264121164-en>.

⁸ Ecosystem services include: provisioning services, such as food and water; regulating services, such as flood and disease control; supporting services, such as nutrient cycling, that maintain the conditions for life on Earth; and cultural services, such as spiritual, recreational, and cultural benefits. See: Millennium Ecosystem Assessment (2005). *Ecosystems and Human Well-Being: Our Human Planet: Summary for Decision Makers*. The Millennium Ecosystem Assessment Series, Volume 5, Island Press, Washington DC.

⁹ When considering perceptions of adverse impacts on amenity, an evaluation must be made of the reasonableness of those perceptions. This evaluation involves 'the identification of evidence that can be objectively assessed to ascertain whether it supports a factual finding of an adverse effect on amenity...': *Telstra Corporation Ltd v Hornsby Shire Council* [2006] NSWLEC 133.

Social impacts vary in their nature, and can be:

- positive (for example, increased local and regional job opportunities) or negative (for example, increased prevalence of certain physical health conditions)
- tangible (for example, availability of affordable housing) or intangible (for example, social cohesion)
- direct (that is, caused by the project), indirect (that is, caused by a change that is caused by the project), or cumulative (see Box 1)
- directly quantifiable, indirectly or partly quantifiable (including by using proxy indicators), or only able to be described and assessed in qualitative terms
- experienced differently:
 - by different people and groups within a community (for example, an increase in the cost of housing may be positive for homeowners wanting to rent out or sell their properties, but negative for individuals and families wanting to enter the same market)
 - by different communities (for example, people neighbouring a project may experience most of the noise and dust impacts, while people in the region's nearest town may experience most of the job opportunities)
 - at different times and stages of the project (for example, construction and commissioning, operation, decommissioning and closure, and post closure management).

Box 1: Cumulative social impacts

Cumulative impacts are the successive, incremental and combined impacts (both positive and negative) of activities on society, the economy and the environment. They can arise from a single activity, multiple activities or from interactions with other past, current and foreseeable future activities. They can be 'sink' impacts arising from the outputs of activities (that is, dust, noise, saline water), or 'source' impacts resulting from drawing upon and using the same resources as other industries (for example, skilled labour, housing, freshwater).¹⁰

Cumulative impacts can arise in three main ways:

- 'Spatial' impacts are those that occur over the same area. For example, trucks from multiple operations may produce a cumulative noise impact along a common haulage route.
- 'Temporal' impacts are those that vary over time. For example, the construction of multiple large projects over the same timeframe may produce a spike in temporary workers in an area, creating a short-term cumulative shortage of accommodation.
- 'Linked' impacts involve more complex interactions, such as where an impact triggers another or where a single activity has multiple impacts. For example, a resource project may generate noise and dust, consume local water resources, and increase traffic on local roads and services. The combination of these varied impacts may result in a cumulative impact on the social fabric of a locality.

¹⁰ Franks, D. M., et al. (2010). *Cumulative Impacts: a good practice guide for the Australian coal mining industry*. Centre for Social Responsibility in Mining & Centre for Water in the Minerals Industry, Sustainable Minerals Institute, The University of Queensland. Australian Coal Association Research Program. Brisbane, p. 10.

Social impacts can also be perceived. For instance, when a community or individual perceives resource project-induced changes as detrimental and unable to be suitably managed or controlled, stress may result. This is more likely to occur when the change event is perceived as being harmful, threatening or challenging; and the community or person perceives that they do not have the resources, coping strategies and/or support available to manage or influence the disruptions caused by the event¹¹.

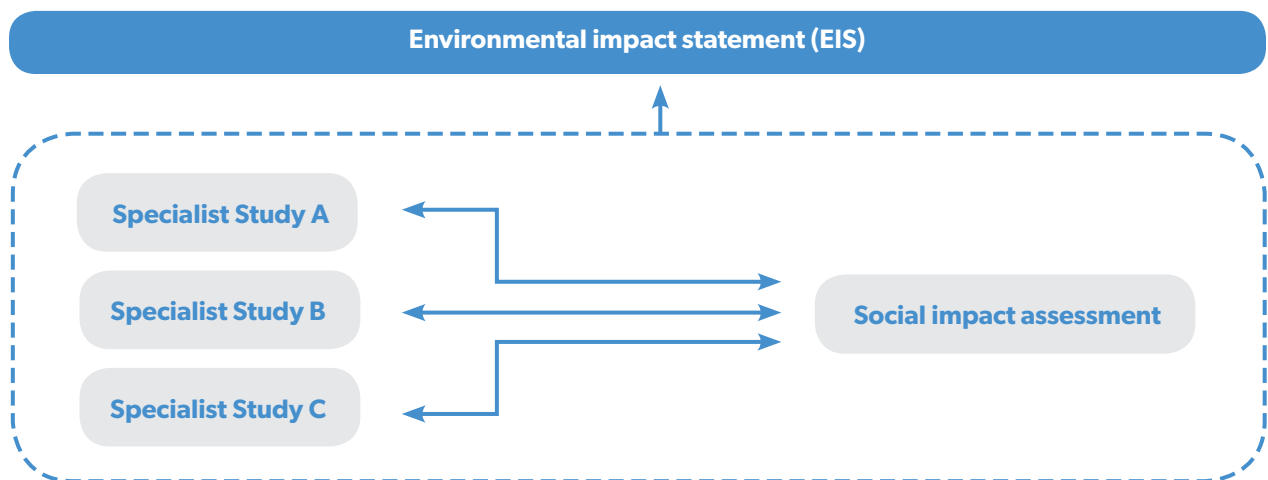
Factors that may influence the nature and scale of the social impacts associated with resource projects include the:

- project’s location, for example whether it is settled or remote and sparsely populated
- extraction methods used, for example underground or open cut
- local and regional context, including the extent to which they are dependent on resource projects, or other forms of industry; and local and regional communities’ experience and knowledge of resource projects, and their adaptability and resilience
- pace of change and inherent uncertainties associated with commodity price cycles.

1.2 Social impact assessment as part of environmental impact assessment

EIA involves consideration of social, environmental, economic and other relevant effects in accordance with the EP&A Act. In this regard, SIA is a component of EIA.

Figure 1: The relationship between the social impact assessment and other specialist studies, and how these relate to the environmental impact statement



The SIA is one of a range of specialist inputs that the EIA must synthesise and reconcile. For example, relevant environmental studies may capture a project’s impacts on surface water and reliant flora and fauna. The cost of any resulting gains or losses may be quantified and captured in the economic assessment. The SIA would consider how those gains or losses are valued, experienced by and distributed between different people (for example any implications for the ecosystem services provided by those natural resources and the people who access, use and/or value them). The SIA also considers major changes to the human environment in their own right, and how these

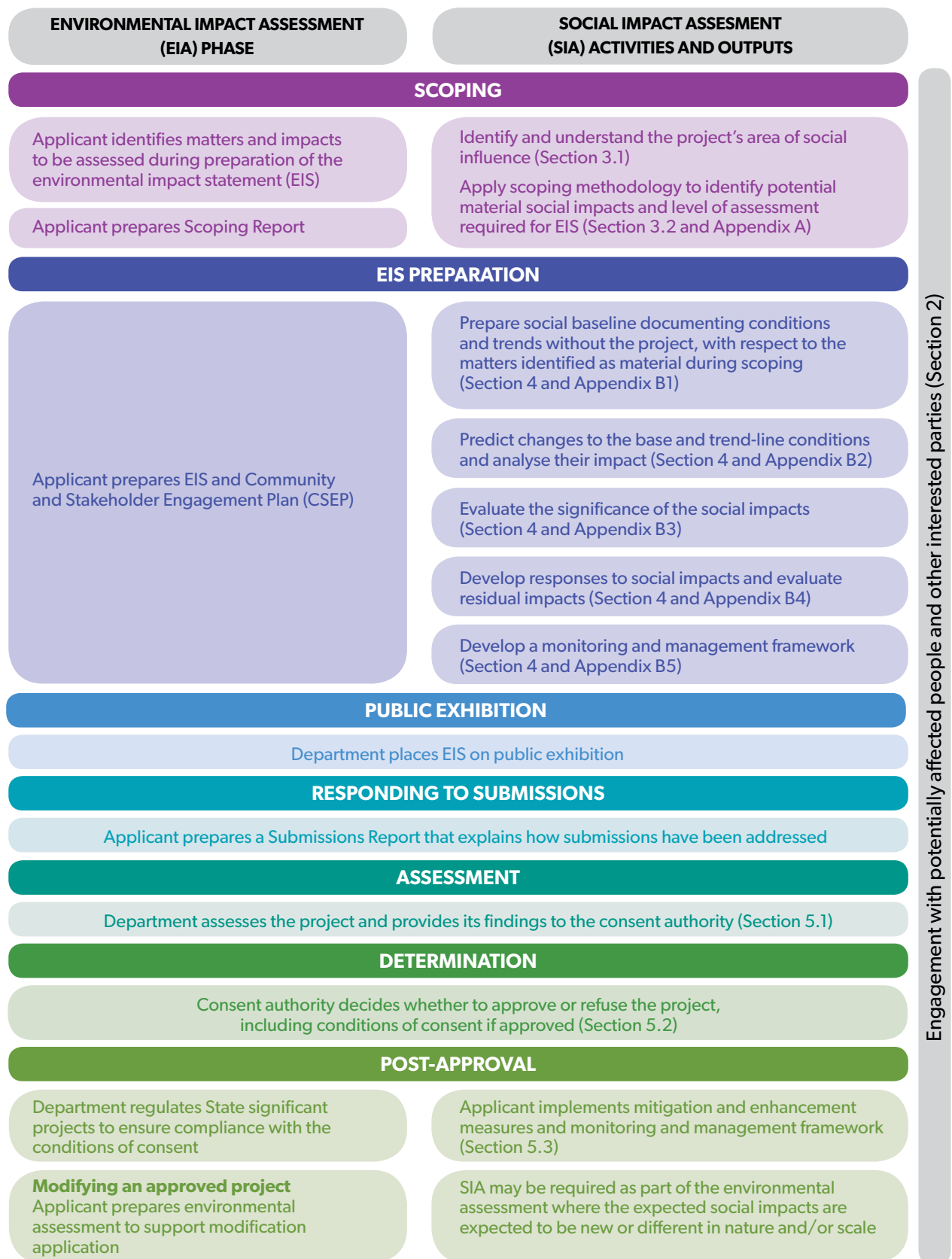
¹¹ Department of Industry, Innovation and Science and Department of Foreign Affairs and Trade (2016). *Community Health and Safety Handbook: Leading Practice Sustainable Development Program for the Mining Industry*, p. 35: <https://industry.gov.au/resource/Documents/LPSDP/LPSDP-Community-Health-and-Safety-Handbook.pdf>.

might be experienced or valued by different people. In some cases, these impacts may also require their own specialist study (for example, cultural heritage assessment, visual assessment). While derived through discrete processes, the results of each study should combine to form a comprehensive, integrated and holistic EIS submitted as part of a development application. Figure 1 shows the relationship between the SIA and other specialist studies, and how these relate to the EIS.

To support effective integration between social, economic and environmental considerations, all specialist studies should be undertaken in a coordinated way. Care should be taken to avoid double counting or considering impacts in isolation. Information and analysis from other relevant specialist studies for the EIS should be used in the SIA and vice versa.

Figure 2 shows the phases of EIA for State significant projects in NSW, from scoping through to post-approval, as well as the key SIA activities and outputs expected at each EIA phase. The scope of these activities and outputs should be proportionate to the importance of the expected impacts.

Figure 2: Phases of environmental impact assessment and key social impact assessment activities and outputs



Engagement with potentially affected people and other interested parties (Section 2)

1.3 Principles to guide social impact assessment and potential benefits

The principles identified and explained in Table 2 underpin this guideline’s approach to SIA¹². The principles should be used to check if SIA activities and outputs are consistent with leading practice.

Table 2: Principles to guide social impact assessment

Principles	Description
Action-oriented	Delivers outcomes that are practical, achievable and effective.
Adaptive	Establishes systems to actively respond to new or different circumstances and information and support continuous improvement.
Distributive equity	Considers how social impacts are distributed within the current generation (particularly across vulnerable and under-represented groups) and between current and future generations.
Impartial	Is undertaken in a fair, unbiased manner and follows relevant ethical standards.
Inclusive	Seeks to hear, understand and respect the perspectives of the full diversity of potentially affected groups of people. It is also informed by respectful, meaningful and effective engagement that is tailored to suit the needs of those being engaged (for example, culturally sensitive, accessible).
Integrated	Uses and references relevant information and analysis from other assessments to avoid duplication and double counting of impacts in the EIS. It also supports effective integration of social, economic and environmental considerations in decision-making.
Life cycle focus	Seeks to understand potential impacts (including cumulative impacts) at all project stages, from pre-construction to post closure.
Material	Identifies which potential social impacts matter the most, and/or pose the greatest risk to those expected to be affected.
Precautionary	If there is a threat of serious or irreversible damage to the environment ¹³ , lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental (including social) degradation.
Proportionate	Scope and scale should correspond to the potential social impacts.
Rigorous	Uses appropriate, accepted social science methods and robust evidence from authoritative sources.
Transparent	Information, methods and assumptions are explained, justified and accessible; and people can see how their input has been considered.

¹² Adapted from Vanclay (2003) and Vanclay, F., et al. (2015). *Social impact assessment: Guidance for assessing and managing the social impacts of projects*. International Association for Impact Assessment.

¹³ Section 4(1) of the EP&A Act defines ‘environment’ to include ‘all aspects of the surroundings of humans, whether affecting any human as an individual or in his or her social groupings.’

Community engagement for social impact assessment

2



Respectful, inclusive and meaningful engagement with potentially affected people and other interested parties is a fundamental part of SIA. This engagement provides primary data that informs both the scope of the SIA and the preparation of SIA content for the EIS. The level of engagement should be proportionate to the importance of the social impacts that are being investigated.

An assessment based on desktop research and secondary data alone will rarely give a complete understanding of the social context and potential social impacts of a project proposal. Engaging potentially affected people and other interested parties is the best way to understand how they might experience and perceive social impacts. They have 'local knowledge' of the social context and have community values that might be affected by the project. Their input can also help the applicant design the project so that it maximises benefits, avoids or mitigates harm, and effectively manages unavoidable residual social impacts.

Providing increased opportunity for public involvement and participation in environmental planning and assessment is an object of the EP&A Act (section 5(c)). This includes enabling participation by vulnerable and marginalised groups. The Department's broader expectations of applicants in relation to engagement with the community are described in the draft [Community and stakeholder engagement guideline](#) (Guideline 6 in the draft EIA Improvement Guidance Series). The purpose of this section, which should be read in conjunction with that draft guideline, is to outline the Department's specific expectations for engaging as a part of SIA.

2.1 Engagement objectives for social impact assessment

Key engagement objectives for SIA include:

- ensuring potentially affected people, groups, organisations and the community are identified and have a sufficient understanding of:
 - the proposed project
 - how it may affect them
 - the EIA process for State significant projects in NSW, and how SIA contributes to that process
 - how they can participate and be informed and consulted
- collecting qualitative and quantitative data, evidence and insights for scoping the SIA and preparing the SIA component of the EIS, in ways that maximise diversity and representativeness
- understanding the interests that potentially affected and interested people have in the project; and how potential impacts are predicted to be experienced from their perspectives
- considering the views of potentially affected and interested people in a meaningful way, and using these insights to inform project planning and design, mitigation and enhancement measures, and monitoring and management frameworks
- confirming data, assumptions, findings and recommendations
- ensuring people know how their input and views have been taken into account
- helping people understand how other specialist studies prepared for the EIS (for example, air quality, noise), and any associated proposed mitigation measures, address social impacts
- respecting people's privacy, allowing them to communicate their views anonymously if they desire.

2.2 Who to engage

Who to engage with will depend on the project context and the different linkages and networks that connect them to the project. They are unlikely to all fall within a single, clear, geographical boundary. At the very least, where people express an interest in the project, they are identifying themselves as being eligible for inclusion in engagement activities for SIA. However, the interests that different people have in a project will vary, as will the level of engagement different people may need.

Common methods for identifying who to engage with and mapping people to impacts and interest levels include:

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

General categories of people to engage include:

- existing and in-migrating residents, landholders and businesses, particularly those near the project location and those in nearby towns and within the region
- Aboriginal people and groups, especially those with a cultural connection to the project location, and including traditional owners or custodians who can speak for Country, native title holders or registered native title claimants and relevant Local Aboriginal Land Council/s
- employees, contractors and suppliers
- community, industry, business, cultural and environment organisations, advocacy groups and peak bodies
- public and private service and infrastructure providers and regulatory agencies (especially local, state, and federal government-funded education, health, community and social services)
- elected representatives and other community leaders.

The analysis of stakeholders will be an important factor in deciding the level/s and engagement techniques needed for the SIA.

2.3 How to engage

Engagement during the SIA process may involve varying levels of participation and require the use of several different techniques. The levels of participation range from sharing information, to collecting information and insights, to involving the community in decision-making.

The choice of level and techniques should depend on the objectives of that engagement. For instance, when the objective is to explain the results and recommendations of a technical study to help people understand how they might be affected, information-sharing techniques such as newsletters, social media and meetings may be enough. In this case, more complex techniques such as interviews, focus groups and workshops would probably be inappropriate.

Detailed information about engagement techniques and their respective strengths can be found in the Department's draft [Community and stakeholder engagement guideline](#). Table 3 outlines useful engagement techniques for SIA.

Table 3: Useful engagement techniques for social impact assessment

Level of participation	Engagement technique	Purpose in social impact assessment
Sharing information	Impromptu discussions and informal conversations	<ul style="list-style-type: none"> identifying affected and interested people, groups, organisations and communities helping people to understand the proposal and the social impact assessment addressing questions, concerns and complaints demonstrating early engagement
	Public displays, briefings, information sessions and public meetings	
	Open days and site visits	
	Contact points (for example, hotlines, websites, shopfronts)	
	Websites, direct mail/email/SMS, fact sheets, newsletters and webinars	
Consulting to collect information and insights	Surveys and interviews	<ul style="list-style-type: none"> identifying and predicting social impacts collecting data, evidence and insights demonstrating early engagement confirming data, assumptions and findings involving marginalised groups
	Community Consultative Committee, or community liaison and advisory groups	
	Online forums	
	Social media	
Collaborating in decision-making	Workshops and focus groups	<ul style="list-style-type: none"> collaborating in the design of project elements identifying and predicting social impacts collaborating in the development of monitoring, mitigation and management measures and actions involving marginalised groups
	Deliberative forums/workshops	
	Citizen panels	

Overall, the levels and techniques of engagement required for SIA depend on the:

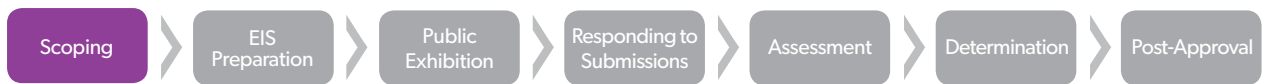
- scale of the project's area of social influence (see Section 3.1)
- degree of diversity among potentially affected and interested people and the extent to which they are expected to be affected or interested
- range and types of impacts involved and their relative importance
- timing and context, noting that stakeholders and their interests can change over time with different project stages and phases of the EIA and SIA
- needs of different audiences (for example, cultural appropriateness, capacity to participate, communication styles and/or preferences, barriers to participation), including: Aboriginal people; younger and older people; people with disability; people from culturally and linguistically diverse communities; people who are vulnerable, socio-economically disadvantaged or otherwise marginalised; and any other 'difficult-to-reach' groups
- opportunities to rely on or integrate with other engagement activities planned for the EIA to avoid duplication and manage 'consultation fatigue'.

In addition to the general guidance in this section, engagement with Aboriginal peoples for SIA should recognise and respect their rights and be culturally appropriate. In practice, this means: applying relevant protocols for Aboriginal knowledge; acknowledging and assessing both tangible and intangible forms of cultural heritage; ensuring free, prior and informed consent; engaging traditional owners or custodians who can speak for Country; allowing Aboriginal decision-making processes to function effectively; avoiding conflict between engagement activities and cultural practices (for example, 'sorry business'); engaging in places, at times, and in ways that encourage participation; and ensuring that engagement is undertaken by people with appropriate skills and experience. The Office of Environment and Heritage's [Aboriginal cultural heritage consultation requirements for proponents](#) (2010) should be referred to for guidance when consulting with Aboriginal people about Aboriginal cultural heritage matters specifically, and on social impacts more broadly.

3

***Scoping the social
impact assessment
component of the
environmental
impact statement***





Scoping is the first phase in both EIA and SIA. When effectively carried out, scoping highlights what elements of the natural or human environment ('matters') are expected to be impacted upon by activities associated with a State significant resource project (whether positively or negatively), how those impacts should be assessed and to what level of detail. It is used to focus the SIA on the most relevant and important issues for each project and ensures the scale of assessment required is proportionate to the importance of the expected impacts.

For State significant resource projects, the applicant should document the results of the scoping phase in a Scoping Report¹⁴ submitted to the Department with the request for SEARs.

The SIA scoping approach outlined in this guideline adopts and builds on the draft scoping approach outlined in the Department's draft [Scoping an environmental impact statement guideline](#) (Guideline 3 in the draft EIA Guidance Series). See Box 2 for guidance on who should scope the SIA component of the EIS.

Box 2: Who should do the scoping?

The SIA scoping approach is designed to be used by the applicant and/or their study team. The applicant and/or study team should have a demonstrated understanding of impact assessment, engagement, primary data collection methods and the approach to SIA outlined in this guideline. Including someone with suitable qualifications in a social science discipline and/or a demonstrated experience in SIA theory and practices in the study team is strongly encouraged, particularly where multiple social impacts or complex social impacts are expected to be involved.

Overall, there are two core objectives that should be met during the scoping phase of the SIA:

1. Potentially affected people and the project's area of social influence are identified and understood.
2. Social impacts needing further investigation in the EIS are identified and assigned a proportionate level of assessment.

3.1 Understanding the project's area of social influence

Social impacts from resource projects are rarely fully contained within the immediate surroundings of the project or local community. Supply chains, haulage of resources, transport of goods, materials and equipment, and the movement of workers (including fly-in-fly-out and drive-in-drive-out working arrangements) will often result in social impacts being spatially and/or temporally dispersed.

¹⁴ This is also sometimes also referred to as a Preliminary Environmental Assessment (PEA). For further detail on other information that should be provided in the Scoping Report or PEA, see the Department's draft [Scoping an environmental impact statement guideline](#) and the Integrated Mining Policy's [Mine application guideline](#) (2015).

The EP&A Act requires the consent authority to give consideration to social impacts in the locality when considering the likely impacts of a proposed development.¹⁵ The term 'locality' does not have a prescribed meaning or refer to a fixed, pre-defined geographic boundary. Rather, the scale of the locality should be construed on a case-by-case basis, having regard to the nature of the proposed development and its impacts.¹⁶ Social impacts in and beyond the project's locality, both positive and negative, may also be relevant to the consent authority's consideration of the public interest¹⁷ and the suitability of the site for the project.¹⁸

To scope potential social impacts, an understanding of the project's area of social influence is needed.¹⁹ This should include analysis of:

- the scale and nature of the proposed project, its associated activities (including ancillary infrastructure), potential direct impacts, potential indirect impacts that may extend from the project site (for example, transport and logistics corridors, downstream water users) and potential cumulative impacts
- who may be affected by the project, how they are expected to be affected, and their relevant interests, values and aspirations
- any potentially affected built or natural features located on or near the project site or in the surrounding region that have been identified as having social value or importance, including key social infrastructure, facilities and amenities
- any relevant social trends or social change processes being experienced by communities near the project site and within the surrounding region, for example, trends in availability of rented accommodation, changes to relative employment in different industries, changing land uses over time, population and demographic changes
- the history of the proposed project and how communities near the project site and within the surrounding region have experienced the project and others like it to date.

Sources to inform this preliminary analysis may include:

- information from other resource projects in the surrounding region (or similar regions in NSW)
- for project extension proposals and modification applications, information gathered for the originally approved project and results from monitoring post-approval
- published research on social impacts that have been caused by comparable resource projects
- relevant local, state and federal strategic plans and policies
- engagement undertaken by the applicant to date, including discussions with the relevant local council/s and government agencies
- stakeholders and issues identified during the exploration phase and recorded in accordance with the [Exploration code of practice: community consultation](#) (2016) (not applicable to extractive industry projects)

¹⁵ EP&A Act, s79C(1)(b).

¹⁶ *Randall Pty Ltd v Willoughby City Council* [2005] NSWCA 205.

¹⁷ EP&A Act, s79C(1)(e). The public interest includes consideration of the objects of the EP&A Act, for example, the object to encourage ecologically sustainable development, which requires the effective integration of social, economic and environmental considerations in decision-making.

¹⁸ EP&A Act, s 79C(1)(c).

¹⁹ Vanclay, F., et al. (2015), p. 35

- for proposed State significant coal and petroleum projects related to an exploration title issued under the NSW Government's Strategic Release Framework for Coal and Petroleum, the relevant Preliminary Regional Issues Assessment²⁰
- primary data gathered through engagement, for example, to confirm desktop research.

Information and insights from all sources should be reliable, credible, rigorous, verifiable, up to date and relevant to the specific social context (for example, regional data cannot be assumed to apply evenly across all communities). Additionally, any primary data should be grounded in people's reports of their actual experiences, views and perceptions. The Scoping Report should include a description of the project's area of social influence, describe how it was compiled, and explain and justify the data sources (including any gaps and limitations).

3.2 Identifying potential social impacts

Identification of relevant matters and social impacts is based on the professional expertise and judgement of the applicant and/or their study team, as there is typically limited data available at this early stage. Early community engagement should inform the analysis to capture matters that potentially affected people and other interested parties think need to be addressed in the EIS.

It is in the interests of applicants to identify all relevant matters and impacts early during scoping so that added work and delays later in the assessment process due to overlooked issues are avoided.

Social impacts will often be fundamentally linked to environmental and/or economic matters and impacts and will often also be indirect or interdependent in nature. For these reasons, it is important to consider proactively whether the social dimensions of the impacts have been captured and determine if they need further investigation in the SIA component of the EIS.

3.2.1 Negative social impacts

Figure 3 presents a consistent approach for applicants and/or their study teams to use to identify negative social impacts and assign a level of assessment. The Department has developed a Scoping Tool (Appendix A) to support the approach. The Scoping Tool is a decision-support tool only. The rationale, assumptions and evidence relied upon at each step need to be explained and justified in the Scoping Report, which should include the Scoping Tool as an attachment.

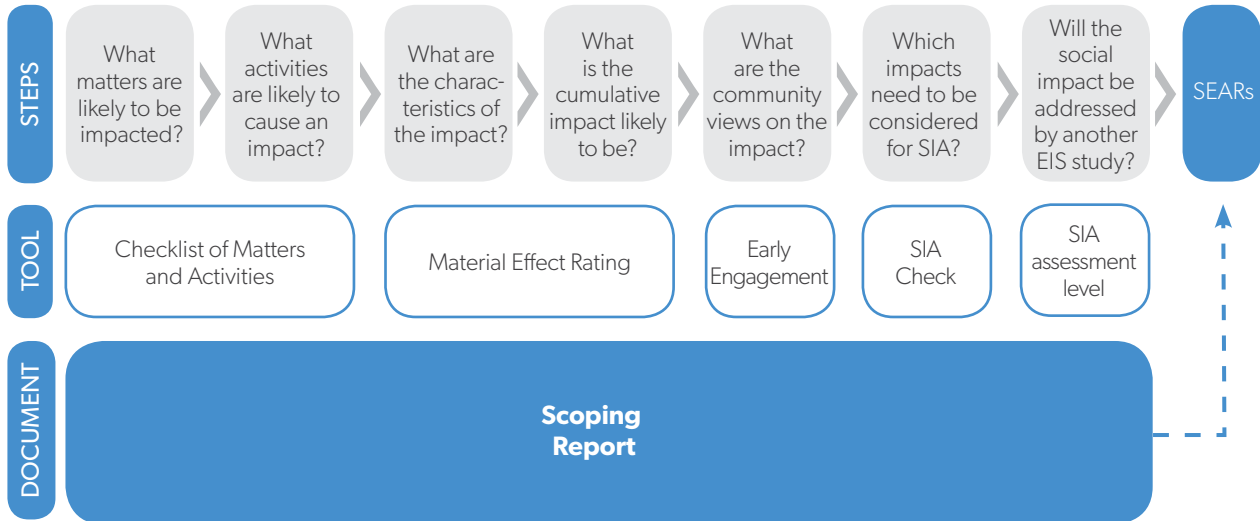
The methodology underpinning the approach is described in detail in Appendix B and includes:

- a generic checklist to help the applicant consider a broad range of matters and filter out any matters that are not relevant to the project ([Section B1](#))
- analysis of activities that are expected to cause or be linked to an impact ([Section B2](#))
- a basic method for estimating if the impact will have a material effect based on the impact's characteristics (extent, duration, severity and sensitivity), and therefore requires further assessment in the EIS ([Section B3](#))
- consideration of:
 - o potential cumulative impacts ([Section B4](#))
 - o the level of mitigation required ([Section B5](#))
 - o the views and concerns of potentially affected people and other interested parties ([Section B6](#))

²⁰ More information about the Preliminary Regional Issues Assessment and the Strategic Release Framework for Coal and Petroleum can be found [here](#).

- a checkpoint step to confirm whether the social dimensions of impacts have been captured ([Section B7](#))
- allocation of a level of assessment to each impact and consideration of analysis methods proposed for use in preparing the SIA component of the EIS ([Section B7](#)).

Figure 3: Overview of scoping methodology for negative social impacts



3.2.2 Positive social impacts

During the scoping phase the applicant and/or their study team should also consider the likelihood of the project having a positive impact on any matters. They should identify which matters will need further investigation or explanation in the SIA component of the EIS. Positive social impacts of a project may include:

- community investment targeted at social development, and associated enhancements to sense of place, health, wellbeing and community cohesion
- local and regional employment (direct and indirect) opportunities, and associated increases in living standards and community wellbeing
- business and procurement opportunities for local and regional small and medium-sized enterprises
- building local and regional workforce skills
- contributions towards, or the development of, shared infrastructure
- facilitating or supporting initiatives aimed at community development, capacity building and strengthening community institutions
- the payment of royalties to the NSW Government, which contribute to providing services to and infrastructure for the people of NSW.

The Scoping Report should include a discussion of the social opportunities or benefits expected to eventuate, the steps that will be taken during the preparation of the SIA component of the EIS to verify and measure, and how they will be distributed. A robust assessment of the positive social impacts will be useful when considering the merits of the proposal.

3.3 Development of the Secretary's Environmental Assessment Requirements

The Department will develop SEARs which take into consideration:

- the contents of the Scoping Report and Scoping Tool
- stakeholder feedback on relevant matters identified through the scoping phase as recorded in the Scoping Tool and Scoping Report
- advice from agencies on relevant matters and impacts
- the Indicative SEARs for State significant mining developments (2015) (this is not applicable to petroleum and extractive industry projects).

If the Department determines that the applicant's characterisation of the impacts is accurate and the proposed level and methods of assessment are adequate, it will apply a SEAR like the one shown in Box 3.

Box 3: Draft indicative Secretary's Environment Assessment Requirements for social impacts

'The EIS must include an assessment of the anticipated social impacts of the project, prepared in accordance with the Social impact assessment guideline for State significant mining, petroleum production and extractive industry development (2017). The assessment must:

- a. focus on and address each of the social impacts identified as material in the Scoping Report in accordance with the level of assessment specified for each impact in the Scoping Report*
- b. address any other additional material social impacts which are identified after the date on which these SEARs were issued.'*

If the applicant's characterisation is considered inadequate or differs from that of the Department and relevant agencies, project-specific SEARs will be issued to ensure the issue is dealt with appropriately in the SIA component of the EIS.

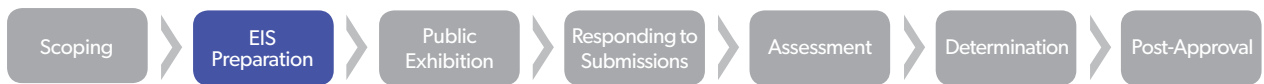
Where matters and impacts have been adequately described and categorised as not requiring further assessment in the Scoping Report, there will be no need to further describe those matters in the EIS. Rather, the section in the Scoping Report that deals with these matters should be appended to the EIS so that it is clear how they have been considered.

If the relevant matters identified in the scoping and SEARs phase change during the preparation of the SIA component of the EIS, then the SEARs may be changed to ensure an appropriate level of assessment is undertaken.

4

Preparing the social impact assessment component of the environmental impact statement





The EIS provides information on a project's predicted social, environmental and economic impacts, and is used to inform development consent decisions and enable the community to understand the project and its impacts. The form and content of an EIS is defined in the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation). For more detail on the expected overall form and content of the EIS, refer to the Department's draft Preparing an environmental impact statement guideline (Guideline 4 in the draft EIA Guidance Series).

The SEARs will specify which social impacts need to be investigated in the SIA for the EIS and the level of assessment needed. Applicants must ensure that the SEARs are addressed in the EIS.

Depending on the outcome of scoping, the SIA component of the EIS may take the form of a specialist report attached to and referenced in the EIS, or specialist analysis within the body of the EIS only. If a social impact specialist report is prepared, the results should be summarised and referenced in the EIS. In doing so, the focus should be on outlining the results of the impact assessment and proposed mitigation and enhancement measures. Information on methodology and data inputs should be limited and may be dealt with by reference to the report. It is important that summaries are accurate and highlight any assumptions made and areas of uncertainty or conservatism in the assessment.

Box 4 provides guidance on who should prepare the SIA component of the EIS. Preparation of the SIA component of the EIS should include the following basic steps, which are described in further detail in Appendix C:

- preparing a social baseline study ([Section C1](#))
- predicting and analysing the extent and nature of the social impacts, both negative and positive ([Section C2](#))
- evaluating the significance of the social impacts, and identification of residual negative social impacts ([Section C3](#))
- developing mitigation measures for significant negative social impacts and enhancement measures for significant positive social impacts ([Section C4](#))
- developing a monitoring and management framework ([Section C5](#)).

Applicants that undertake a robust SIA in accordance with this guideline and seek to minimise the negative social impacts and enhance the positive social impacts of their project may also experience the following benefits:

- improved chances of achieving and maintaining a 'social licence'²¹
- reduced project risks (and associated costs), relative to unplanned, reactive responses to impacts that could have been identified and dealt with earlier
- enhanced reputation (or lower risk of damage to a project and applicant's reputations, for example, due to community conflict)
- reduced need for the Department to request additional information during the assessment process
- attraction and retention of high-quality employees by supporting the development of communities that are attractive places to live and work
- reduced likelihood of unanticipated social impacts that may disrupt operations.

²¹ Social licence to operate can be defined as broad community support and acceptance, and is related to the demands and expectations that people have for a company or operation. It can also be understood as expression of the quality of the relationship and level of trust between a private sector project company and its neighbours over the life of the project. For further information of the operation of the social licence to operate in relation to Australian mining companies, see: Department of Industry, Innovation and Science and Department of Foreign Affairs and Trade (2016). *Community Engagement and Development: Leading Practice Sustainable Development Program for the Mining Industry*, pp. 38-39: <https://industry.gov.au/resource/Documents/LPSDP/LPSDP-CommunityEngagement.pdf>.

Box 4: Who should prepare the social impact assessment component of the environmental impact statement?

The lead author of the SIA component of the EIS should have suitable qualifications in a relevant social science discipline and/or proven experience (over multiple years) and competence in social science research methods and SIA theory and practices. The lead author's qualifications and experience should be outlined in the SIA component of the EIS. It is also preferable that the lead author be a member of a recognised impact assessment professional organisation.²² Members of professional organisations agree to be bound by a code of ethics and professional conduct, which ensures they are accountable for the professional standards they demonstrate and the work they undertake.

The lead author should provide a signed declaration indicating that the SIA component of the EIS contains all information relevant to the SIA for the project, and that the information is not false or misleading. The declaration should indicate the date on which the assessment was completed. The author should also follow relevant ethical considerations that apply to research involving people.²³ Safeguards should be put in place and documented to ensure the process and the results provide an impartial assessment of the anticipated social impacts and avoid potential conflicts of interest.

Overall, there are four core objectives that should be met when preparing the SIA component of the EIS:

1. The extent and nature of potential social impacts are predicted and analysed using accepted social science methods against existing baseline conditions.
2. The SIA component of the EIS effectively draws attention to, and focuses effort on, the potential social impacts that are assessed as being significant.
3. Potential social impacts, particularly those evaluated as significant, have an appropriate, justified response, and residual social impacts are identified and explained.
4. Appropriate arrangements are proposed to monitor and manage mitigation and enhancement measures and residual social impacts over the life of the project, including unforeseen issues.

²² For instance, the International Association of Impact Assessment, Environment Institute of Australia and New Zealand, Planning Institute of Australia, or Australasian Evaluation Society.

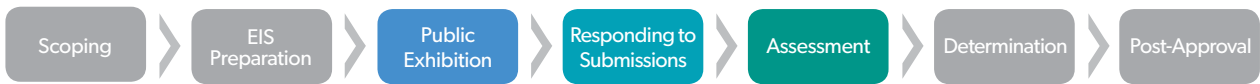
²³ For further information on ethical considerations, see: National Health and Medical Research Council, Australian Research Council and the Australian Vice-Chancellors' Committee (2015). *National Statement on Ethical Conduct in Human Research*. Canberra: Commonwealth of Australia; and Vanclay, F., Baines, J. and Taylor, C.N. (2013). Principles for ethical research involving humans: Ethical professional practice in impact assessment Part I. *Impact Assessment and Project Appraisal* 31(4), 243-253.

5

Assessment, determination and post-approval phases



5.1 Assessment



Applicants should consider the set of review questions in Attachment D to check if their SIA follows this guideline prior to submitting the EIS and related documents.

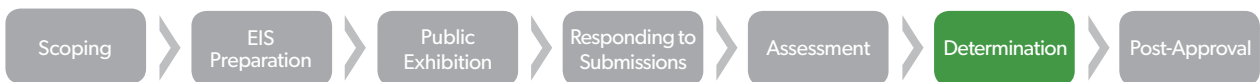
Once the Department has reviewed the submitted EIS and related documents then it will make them available for public exhibition and comment for a minimum of 30 days.²⁴ The Department will also notify affected community members and public authorities in accordance with the EP&A Regulation.

Any person can make a written submission on the project and state whether they support or object to the project during the public exhibition period. Applicants then consider carefully the issues raised in each submission and provide responses to them.

The Department then reviews all the EIA documentation submitted by the applicant and assesses the project in accordance with the requirements of the EP&A Act and relevant government policies and guidelines. It also carefully considers how the applicant has addressed the issues raised in public and agency submissions.

The Department documents its findings in an Assessment Report that is published and provided to the consent authority.

5.2 Determination



As with all State significant projects, the consent authority will undertake a comprehensive assessment of the specific impacts of each proposed State significant resource project on its merits, including the positive and negative social impacts, before deciding whether to approve or refuse it.

The matters that a consent authority will consider when determining a project include²⁵, for example:

- the suitability of the site
- submissions made by the local community, stakeholders and government authorities
- the likely impacts of the resource project, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality

²⁴ EP&A Regulation, cl. 83.

²⁵ EP&A Act, s 79C.

- the relevant provisions of all applicable environmental planning instruments, for example, Local Environmental Plans and State Environmental Planning Policies, including the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 (Mining SEPP)²⁶
- the public interest, which includes consideration of the strategic context, alignment with relevant government policies and the objects of the EP&A Act.

The objects of the EP&A Act that may be relevant to SIA include:

- to 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
- to encourage the provision and coordination of community services and facilities
- to encourage ecologically sustainable development, which requires the effective integration of social, economic and environmental considerations in decision-making
- to provide increased opportunity for public involvement and participation in environmental planning and assessment.

The consent authority may also consider the:

- relative significance of the negative social impacts with the proposed mitigation
- suitability of the proposed mitigation measures and monitoring and management framework
- acceptability of any residual negative social impacts when considered with positive social impacts and all other environmental and economic considerations.

5.2.1 Conditions of consent

The consent authority typically imposes conditions on the consent that set out the terms on which the project may go ahead in granting consent for a project. Generally speaking, conditions of consent are imposed to:

- regulate the impacts of the project
- require the carrying out of appropriate mitigation measures for adverse impacts
- place clear parameters around the approved project
- identify any engagement requirements, for example, setting up a Community Consultative Committee as per the Department's [Community Consultative Committee guidelines for State significant projects](#) (2016)
- set out monitoring, reporting and auditing requirements.

Conditions of consent should be imposed for a planning purpose, fairly and reasonably relate to the development in question, and be able to be reasonably imposed. Conditions should also be: achievable, specific, clear, enforceable and proportionate; address matters relevant to the determination; and not defer consideration of any important matter.

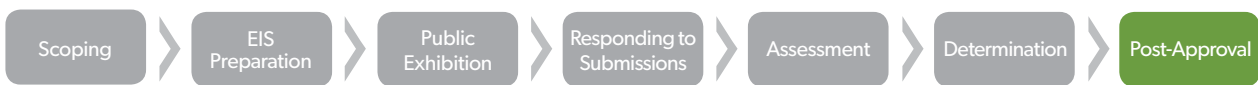
²⁶ For instance, clause 12 of the Mining SEPP requires the consent authority to consider: the existing uses and approved uses of land in the vicinity of the development; whether or not the development is likely to have a significant impact on the uses that, in the opinion of the consent authority having regard to land use trends, are likely to be the preferred uses of land in the vicinity of the development; and any ways in which the development may be incompatible with any of those existing, approved or likely preferred uses. It also requires the consent authority to evaluate and compare the respective public benefits of the development and the other land uses, and any measures proposed by the applicant to avoid or minimise any incompatibility.

Conditions to mitigate negative social impacts may fall into one, or a combination, of three categories:

- performance-based – identifies performance criteria that must be complied with to achieve an appropriate outcome but do not specify how the outcome is to be achieved
- prescriptive – itemises actions that need to be taken or things that must not be done, for example, adopt a known best-practice technology, design or management approach to mitigate the impact
- management-based – where the potential impacts can be satisfactorily avoided or mitigated by implementing known operational or technical approaches.

Further information about conditions can be found in the Department’s draft [Approach to setting conditions guideline](#) (Guideline 7 in the draft EIA Guidance Series).

5.3 Post-approval



The Department regulates the carrying out of State significant projects to ensure compliance with the conditions of consent. However, it is the applicant’s responsibility to monitor, report, and notify of incidents in accordance with the conditions of consent.

For State significant resource projects, conditions of consent will typically include requirements for intensive monitoring together with independent audit and expert review of environmental performance.²⁷ They will also include a requirement to prepare and submit/publish an Annual Review that provides a summary of the performance of the project against the conditions of consent over the relevant reporting period (generally the preceding calendar year).

The Department has published a compliance policy and associated guidelines for breach management, prosecutions and penalty notices. These documents aid authorised officers in exercising their powers in a fair, consistent and equitable manner. They also help the community and other stakeholders understand how the Department goes about its work. The documents can be found [here](#).

To make sure applicants are adhering to the development consent and conditions of consent, the Department’s compliance team:

- conducts spot checks and unannounced visits to projects and undertakes surveillance
- conducts compliance audits
- meets with the community and industry
- investigates complaints in accordance with the compliance policy.

If an applicant or other person carrying out any part of the development to which a consent applies is found to have breached the conditions of consent, compliance officers will take appropriate enforcement action. This can include actions such as: prosecution for serious offences; issuing a fine; imposing orders; issuing warning letters; and working with industry, the community and other stakeholders to negotiate an appropriate outcome.

²⁷ As already noted, section 4(1) of the EP&A Act defines ‘environment’ to include ‘all aspects of the surroundings of humans, whether affecting any human as an individual or in his or her social groupings.’

Glossary



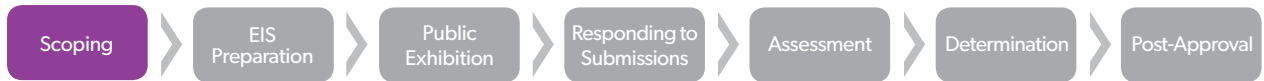
Applicant	The person or entity lodging the development application, or carrying out the project approved under the development consent, or any person who seeks to carry out any part of the project to which the consent applies.	
Community	A group of people living in a specific geographic area or with mutual interests that could be affected by a State significant resource project.	
Conditions of consent	Conditions imposed by the consent authority on a consent for a project under the EP&A Act. The applicant or other person carrying out any part of the project to which the consent applies must comply with these conditions.	
Consent authority	The Minister for Planning is the consent authority for State significant resource project development applications and modification applications.	
Development application	An application for consent under the EP&A Act to carry out development.	
Development consent	Consent granted under the EP&A Act in respect of development.	
Ecologically sustainable development (ESD)	ESD requires the effective integration of social, economic and environmental considerations in decision-making processes. It can be achieved through the implementation of: the precautionary principle; intergenerational equity; conservation of biological and ecological integrity; and improved valuation, pricing and incentive mechanism.	
Environment	Defined in the EP&A Act to include all aspects of the surroundings of humans, whether affecting any human as an individual or in his or her social groupings.	
Environmental impact assessment (EIA)	The process of identifying, predicting, evaluating and mitigating the environmental, social, economic and other relevant effects of a proposal.	
Likelihood rating	The guideline recommends the use of two likelihood rating scales:	
	Basic scale for scoping	Detailed scale for evaluating significance
	Likely – there is a real chance or possibility that the adverse impact will occur	Almost certain
		Likely
		Possible
Unlikely – for example, because the impact has been avoided	Unlikely	
	Rare	
Not applicable		

Minister	NSW Minister for Planning.
Modification application	An approved change to a project that is implemented by modifying an existing development consent. An application must be made under the EP&A Act before the modification can be approved.
Scoping	Identifying what elements of the natural or human environment are expected to be impacted by activities associated with a State significant resource project (whether positively or negatively), how those impacts should be assessed, and to what level of detail.
Secretary	The Secretary of the NSW Department of Planning and Environment
Secretary's Environmental Assessment Requirements (SEARs)	Issued in response to a request from the applicant and which set out assessment requirements to be addressed in the EIS.
Social	Of, or relating to, the lives, activities, relationships and networks of people and communities.
Social impact assessment (SIA)	For this guideline, SIA is the process of identifying, predicting, evaluating and responding to the social impacts of a proposed State significant project, as part of the overall EIA of that project under the EP&A Act.
State significant development	Development declared as State significant in the State Environmental Planning Policy (State and Regional Development) 2011, and which must be assessed and approved under Part 4.1 of the EP&A Act.
State significant projects	A State significant development (see above) or State significant infrastructure project (for which approval is required under Part 5.1 of the EP&A Act).

Appendix A – Scoping tool

Please refer to the Scoping Tool, which is available [here](#).

Appendix B – Scoping methodology for negative social impacts



The Department has developed a Scoping Tool (see Appendix A) to ensure a consistent approach to identifying which of the social impacts associated with a project need to be investigated in the SIA component of the EIS, and to establishing the level of assessment needed for those impacts. The tool will inform the content of the Scoping Report.

B1. Checklist of matters

The Scoping Tool includes a generic checklist of social, environmental and economic matters (Table 4) to help the applicant and/or their study team to transparently consider a broad range of matters that may be affected, and to filter out any that are not relevant to the project. Most of the matters are designed to help the applicant and/or their study team answer the question, ‘What does the project mean for people?’, which is an objective of SIA.²⁸ The checklist of matters is not exhaustive and there is space in the worksheet to add matters if needed. A glossary of the matters is included in the worksheet.

The applicant is directed to state how ‘likely’ it is that the project will impact on each matter (without mitigation) during the life of the project. There are three likelihood rating options²⁹ at this early stage:

- **‘likely’** – that is, there is a real chance or possibility that the adverse impact will occur³⁰
- **‘unlikely’** – in which case, the applicant must explain why, for example, if the impact has been avoided, a brief description of how it has been avoided should be included in the Scoping Tool, with further detail given in the Scoping Report
- **‘not applicable’** – in which case the applicant must explain why the matter is not relevant to the project.

In all cases, the rationale and assumptions behind the likelihood rating should be explained and justified in the Scoping Report, and supported by relevant evidence. If it is assessed that an impact on a matter is ‘unlikely,’ there will be no need for further discussion in the EIS.

²⁸ The checklist takes into account relevant legislative requirements, including matters for consideration identified in the EP&A Act, as well as the definition of social impact used in this guideline.

²⁹ Use of a more detailed likelihood scale will be appropriate when evaluating the significance of social impacts as part of preparing the SIA component of the EIS (see Appendix B, Section 3). In this case, ‘likely’ could be disaggregated into ‘almost certain’, ‘likely’ and ‘possible’, while ‘unlikely’ could be disaggregated into ‘unlikely’ and ‘rare.’

³⁰ *Jarasius v Forestry Commission of NSW* (1988) 71 LFRA 79.

Table 4: Appendix B (Checklist of matters)

Matters			Key links to social impact definition (Section 1.1) ³¹
What does the project mean for people?	Amenity	Acoustic	Way of life
		Visual	Surroundings
		Odour	
		Microclimate	
	Access	Access to property	Way of life
		Utilities and public transport	Access to infrastructure, services and facilities
		Road and rail	Personal and property rights
	Built environment	Public domain	Community
		Public infrastructure	Access to infrastructure, services and facilities
		Other built assets	Surroundings
			Personal and property rights
	Heritage	Natural	Way of life
		Cultural	Community
		Aboriginal cultural	Culture
		Built	Surroundings
	Community	Health	Health and wellbeing
		Safety	Surroundings
		Services and facilities	Way of life
			Access to infrastructure, services and facilities
		Cohesion, capital and resilience	Way of life
			Community
Culture			
Housing		Way of life	
	Personal and property rights		
Economic	Natural resource use	Way of life	
	Livelihood	Surroundings	
	Opportunity cost	Personal and property rights	
And for the natural environment?	Air	Particulate matter, gases, atmospheric emissions	Surroundings
	Biodiversity	Native vegetation and fauna	
	Land	Stability/structure, soil chemistry, land capability, topography	
	Water	Quality, availability, hydrological flows	

³¹ The 'decision-making systems' and 'fears and aspirations' categories in the social impact definition in Section 1.1 are broader considerations that could be relevant to many of the above matters (as is, to an extent, 'personal and property rights').

Social impacts will often be linked to environmental and/or economic matters and impacts and will often also be indirect or dispersed in nature. For example, a decrease in air quality may affect people's health, and in turn their capacity to work. Similarly, a training program associated with a new project may lead to increased skill levels in a community, which in turn may enhance community cohesion and reduce property crime.

It is also important to consider how impacts are distributed. For example, the benefits of increased population and investment in services may accrue to nearby communities from which the workforce is sourced or housed. Similarly, decreased amenity from dust, noise and traffic may be experienced by communities along haulage routes from the project's site to market, not just by those living close to the project site.

For these reasons, when working through the checklist of matters, it is important to consider proactively whether potential social impacts on each matter have been captured and recorded within the worksheet, and avoid adopting too narrow an interpretation of the matter categories.

B2. Activities causing impacts

If a negative social impact is 'likely' without mitigation, the applicant should briefly record the main activities that may cause the potential negative impact across the life of the project in the Scoping Tool, and provide further supporting information in the Scoping Report. The tool provides generic examples of activities and receptors to consider in relation to each matter. The applicant should also specify who or what is expected to experience the potential negative impact. From a SIA perspective, the applicant should pay close attention to any person, natural or built receptors that may be more susceptible or vulnerable to the adverse impact, or that may be disproportionately exposed to the negative impact.

B3. Estimating material effects

Where an impact on a matter has been identified as 'likely', an assessment needs to be made of how material the effect of the impact could be, and whether it requires a detailed assessment by a specialist to fully understand the impact and design project-specific mitigation. To decide if this is the case, the Scoping Tool directs the applicant to complete a preliminary assessment of whether the impact, without mitigation, is expected to cause a material effect, considering extent, duration, severity and sensitivity. Each of these characteristics is commonly used in EIA when determining the 'materiality' of impacts during scoping³², and is outlined in more detail in Table 5.

For each characteristic, there are three answer categories – 'yes', 'no' or 'unknown'. If two or more of the characteristics are categorised as yes or unknown, the impact will be considered relevant for assessment, and will need to be assessed in more detail in the EIS.³³ If one or no characteristics are categorised as yes or unknown, the impact will not require further investigation in the EIS, and consideration of the matter and impacts in the Scoping Report will be sufficient.

³² See for instance: Jones, M. and Morrison-Saunders, A. (2016) Making sense of significance in environmental impact assessment. *Impact Assessment and Project Appraisal*, 34:1, 87-93; Achieng Ogola, P. (2007) *Environmental Impact Assessment General Procedures*, United Nations University, Geothermal Training Programme. Ljubas, D. and Sabol, G. (2011) Possibilities of environmental aspects and impacts evaluation according to ISO14001 Standard on the example of an academic institution, *The Holistic Approach to Environment 1(2011)2*, 75-84; Characteristics of environmental impacts, United Nations University, http://eia.unu.edu/course/index.html%3Fpage_id=186.html; and Evaluation of impact significance, United Nations University, http://eia.unu.edu/course/index.html%3Fpage_id=126.html.

³³ The Department's 'two or more' formula has been determined by considering all possible combinations of the four impact characteristics and estimating if any one of them on their own would be sufficient to cause a material effect. The Department considers that one alone would not be enough to cause a material effect, but any combination of two would be sufficient. For example, an impact may be considered to have a broad extent, but if it is short-lived (or reversible), is of low severity and does not affect any sensitive people or receivers or valued places or resources, then it would not be judged to have a material effect. However, if the impact was broad in area and permanent, then it would need further assessment.

Table 5: Impact characteristics

Characteristic	Definition	Material effect examples (indicative only)
Extent	The geographical area affected by the impact (or the number or proportion of people or population groups who are affected)	<ul style="list-style-type: none"> • impacts occur beyond the site boundary • impacts on large geographical area (for example, suburb or region, or larger) • impacts affect a large proportion of a population group • impacts will have ripple effects on multiple matters
Duration	The timeframe over which the impact occurs	<ul style="list-style-type: none"> • permanent impact • life of the project or longer • specific project phase • frequently occurring impact
Severity	Scale or degree of change from the existing condition as a result of an impact	<ul style="list-style-type: none"> • scale or degree of change from existing condition is substantial • will take substantial time and effort to reverse or ameliorate • ecological or community function, process, health, lifestyle, or livelihood is expected to change substantially or be substantially disrupted
Sensitivity	Susceptibility or vulnerability of people, receivers or receiving environments to adverse changes caused by the impact, or the importance placed on the matter being affected. Attributes of sensitivity include: conservation status; intactness; uniqueness or rarity; resilience to change and capacity to adapt; replacement potential; impacts on vulnerable people; and/or of value or importance to the community	<ul style="list-style-type: none"> • disturbance of listed heritage, including Aboriginal heritage • impacts on sensitive receivers (for example, hospital, school, residential area) • unique or widely recognised assets or values will be disturbed

At the scoping phase of SIA, categorising the characteristics of each impact will necessarily be a professional judgment made using the best available information and the expertise of the project team, acknowledging that technical details or modelling of impacts may not yet be available. The best available information includes the information gathered to identify and understand the project’s area of social influence. Given the professional judgement involved, it is important that justification for the judgements and categorisations made in the Scoping Tool is given in the Scoping Report.

B4. Cumulative impact

For any impacts identified as requiring further assessment in the EIS, consideration should be given to their potential contribution to cumulative impacts. The Scoping Tool directs the applicant to consider the interactions of these impacts with approved but yet-to-start resource and other projects, or with reasonably foreseeable future development in the area that is likely to be affected by the project. If the answer is 'yes' or 'unknown', a more detailed assessment of the cumulative effects of that impact is required for the EIS. This requirement will be reflected in the SEARs for that impact. The SEARs will also typically require the EIS to include a broader assessment of potential cumulative impacts, in addition to impact-specific requirements.

B5. General level of mitigation required

If an impact on a matter is expected to have a material effect (without mitigation), mitigation or management measures should be explored. In the Scoping Tool, the applicant will need to indicate whether the mitigation measures are expected to be:

- **standard** – measures to manage the effect of the impact that are known and routinely used on similar projects and may not require separate specialist assessment
- **project-specific** – measures that need a specialist assessment using an endorsed methodology or method unique to the project to establish the right measures to mitigate the effect of the impact
- **unknown** – sometimes at the scoping phase the type of mitigation required is uncertain until further specialist assessment of the impact is undertaken through the EIS.

A brief conceptual discussion of potential mitigation or management measures should be included in the Scoping Report.

B6. Views of potentially affected people and other interested parties

The Scoping Tool directs the applicant to indicate whether there is community concern about the expected impact. Understanding community views and perceptions is an important part of SIA and is best achieved through early engagement (see Section 2 of this guideline for further detail on engagement for SIA).

The information gathered through engagement during scoping will help determine or confirm the level of specialist assessment and any additional engagement needed for these impacts. It may indicate a need for targeted engagement with potentially affected people and other interested parties during preparation of the EIS. This would enhance understanding of the potential impacts and mitigation measures, particularly if a matter is contentious. It may also indicate that the impact needs further specialist assessment.

The Scoping Report should describe the range of views and explain how those views were collected. It should explain how the views have been considered in finalising the proposed scope of the EIS and the SIA component, including the level of assessment. It should also outline the proposed approach to engaging potentially affected people and other interested parties during the EIS preparation phase.

B7. Resulting level of assessment and social impact assessment checkpoint

Where a matter or impact has been identified for inclusion in the EIS through the Scoping Tool, it will be assessed as either:

- a **key issue** – that is, it requires the preparation of a specialist report to assess impacts and design project-specific mitigation measures (typically attached as an appendix to the EIS)
- an **other issue** – that is, it can be addressed in the body of the EIS and can typically be managed through routine mitigation and management measures.

All social impacts categorised as key issues should be addressed in a single social impact specialist report that is attached to, and then referenced and summarised in, the EIS. If there are also social impacts that have been categorised as other issues, they should be addressed in the social impact specialist report. If only social impacts categorised as other issues have been identified, they should be addressed together in the body of the EIS.

Considering the high degree to which social impacts are linked to, or interrelated with, environmental and economic impacts, it is also important to identify the extent to which a social impact may be addressed in other specialist studies required for the EIS to avoid duplication and double counting. For this reason, the Scoping Tool includes a 'SIA checkpoint' step. This step is completed in a supplementary worksheet that draws on the results of the main worksheet. It supports the user to:

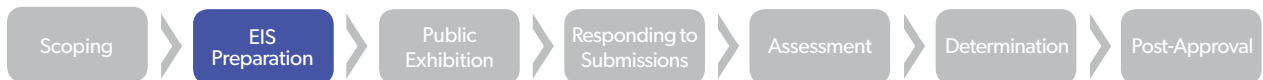
- ensure the relevant social impacts on each matter have been captured and recorded, and confirm those that will be covered in the SIA component of the EIS
- determine the level of assessment required for each of the matters and impacts in the SIA component of the EIS.

The applicant indicates whether the impact will be addressed – in full or in part – by another specialist study or section in the EIS to determine the level of assessment.

- To be able to answer 'yes – in full,' the applicant must be confident that the other specialist study or section of the EIS will provide all the information and analysis needed to predict, evaluate and develop a response to the social impact. This includes relevant primary and secondary research, qualitative and quantitative data, and appropriate engagement with potentially affected people, to establish a baseline and support predictions. If this threshold is met, a **desktop review** will be considered appropriate (that is, a review of the data and findings from the other sources through a SIA lens, cross-referenced and integrated into the overall social baseline and assessment).
- If the answer is 'yes – in part,' a **standard assessment** will be sufficient (that is, most of the information and analysis needed to predict, evaluate and develop a response to the social impact will be provided by another specialist study or section of the EIS. However, it will need to be supplemented with further evidence gathering and analysis to fill any gaps and obtain a complete picture from a SIA perspective).
- If only limited or no information and analysis will be provided by another specialist study or section of the EIS, the social impact will need a **comprehensive assessment** (that is, the author/s of the SIA component of the EIS will need to undertake the evidence gathering and analysis needed to predict, evaluate and develop a response to the social impact).

The rationale and assumptions behind the level of assessment should be explained and justified in the Scoping Report, and supported by relevant evidence. The Scoping Report should also include a discussion on the proposed assessment methodologies to be used to prepare the SIA component of the EIS, where known.

Appendix C – Preparing the social impact assessment component of the environmental impact statement



C1. Social baseline study

The SIA component of the EIS should include a social baseline study. This study should document the existing social environment, conditions and trends relevant to each of the social impacts identified during scoping. It provides a crucial benchmark against which direct, indirect and cumulative impacts can be predicted and analysed, and to understand the relevant pre-existing social pressures.

The social baseline study should include:

- a description of the project's area of social influence, building on the description prepared during scoping
- quantitative indicators and qualitative descriptions relevant to each potential social impact, building on any relevant indicators identified during scoping, and sourced through a combination of desktop research and recent primary data collection (including from other specialist studies undertaken for the EIS).

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 SIA. It should also include trend lines that document the trajectory of a change over time and give a dynamic benchmark against which potential impacts can be assessed and any change monitored.

The social baseline study should draw on a range of primary and secondary data sources. The primary data should be recent and relevant to the project and its area of social influence. It could be sourced via surveys, interviews, community forums and workshops, and other established methods for public participation. Primary data collected by the applicant during earlier community engagement activities for the project can also be used.

Where possible and appropriate, impacts should be directly measured. Where direct measures are not available, proxy measures should be used. For instance, proxy indicators for impacts on community cohesion may include the level of involvement in community activities and organisations, the incidence of volunteering (positive correlations), incidence of crime (negative correlation), and migration patterns and intentions (positive and negative correlations).

Relevant secondary data sources may include:

- demographic, health and other data available from the Australian Bureau of Statistics, government agencies, and local government

- published scientific literature, including specialised anthropological, sociological, ethnographic, genealogical, or epidemiological studies, and longitudinal surveys and studies³⁴ (both from NSW, Australian and, if comparable, international sources)
- government-authored strategic policies, plans and documents (for example, Local Environment Plans, Regional Plans, and local social and economic development strategies)
- high-quality 'grey literature' (that is, research that is unpublished or published in non-commercial form, such as government reports or issue papers, conference papers, theses and dissertations, research reports)
- documents relating to other resource projects in the surrounding region (or similar regions in NSW), including publications that monitor social impacts of those projects.

To minimise potential duplication, State significant mining and coal seam gas proposals applying the [Guideline for the economic assessment of mining and coal seam gas proposals](#) (2015) (Box 5) can draw on the indicators included in the local effects analysis and the base case for the cost benefit analysis. Data collected for other specialist studies undertaken for the EIS 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 deciding the value of data, with attention paid to:

- whether it was collected in a credible and rigorous way
- any potential limitations
- the degree of uncertainty in the data
- differences in definitions and/or collection conditions and methods between sources
- the qualifications and expertise of the author and any potential biases
- what other sources say on the matter, especially if the validity of the data is unclear
- ensuring data used is quoted and interpreted at the correct geographical scale
- avoiding the use of averages and medians when other, more specific data are available that will better profile the issue and give more meaning to the SIA and any future monitoring
- privacy considerations
- capturing the different ways in which a social impact may be distributed or experienced, rather than just reporting an average view.

Box 5: Integration with economic assessment

The Department expects State significant mining and coal seam gas projects to complete a cost benefit analysis and local effects analysis as per the [Guidelines for the economic assessment of mining and coal seam gas proposals](#) (2015). Like the SIA, both will need to rely on information and analysis from other specialist studies. They will also contain information and analysis relevant to SIA and vice versa. For instance, analysis of economic costs and benefits expected to be incurred by businesses that supply goods or services to the project will be relevant when considering how those cost and benefits will affect people and be experienced in social terms. Similarly, local knowledge gathered through the SIA could be used to produce a richer qualitative description of the 'cost' of social impacts that cannot be quantified in monetary terms.

Further guidance on cost benefit analysis can be found in the [NSW Government guide to cost-benefit analysis](#) (2017), published by NSW Treasury.

³⁴ For instance, the Household, Income and Labour Dynamics in Australia (HILDA) survey run by the University of Melbourne's Melbourne Institute, and the Regional Wellbeing Survey run by the University of Canberra's Centre for Research and Action in Public Health.

C2. Predicting and analysing social impacts

The SIA component of the EIS should describe and analyse the predicted nature and scale of the potential social impacts for the life of the project and post closure. Predictions and analysis should be based on accepted, suitable social science research methods, both qualitative and quantitative. Qualitative data will usually require primary research (see Section 2 of this guideline for further guidance on engaging people for the purpose of qualitative analysis).

To establish a fuller picture of the potential impacts, multiple perspectives and data sources should be sought, and multiple methods used. This helps to avoid reliance on one source of information and on dominant perspectives or opinions and reduces bias.

The method (or combination of methods) and type of analysis will depend on the type of impact. The SIA component of the EIS should describe and justify the chosen methods. Methods used to support prediction and analysis include: workshops and focus groups; expert advice; interviews and surveys; scenario analysis and modelling; comparative studies; literature reviews; trend extrapolations; and risk assessment. Similar methods will also be suitable for predicting and analysing potential cumulative social impacts from the perspectives of the receiver/s.

Predictions are not expected to provide complete confidence, as uncertainty is inevitable and should be acknowledged. All estimates and assumptions, which may rely on expert judgement, must be credible, reasonable and justified. Where comparative studies are used, the accuracy of their assumptions should be examined by comparing predicted and actual impacts, and assumptions adjusted accordingly. To help justify choices of comparative studies, comparisons should identify similarities and differences between the projects.

Where relevant, sensitivity analysis should be applied to predictions in the SIA component. The predictions should consider any reasonably foreseeable alternative scenarios (not just those that are 'most likely'). Where uncertainty about potential impacts is high, 'worst-case' scenarios should be modelled and the precautionary principle applied.

Applicants may choose to engage a consultant to undertake a peer review to confirm the content or findings of the SIA component of the EIS, or may be asked to do so by the Department. The Department, independent Planning Assessment Commission, or other government agencies may also choose to engage a consultant to undertake a peer review. For further information about the Department's expectations about the scope and format of peer reviews, see the draft Peer review guideline (Guideline 9 in the draft EIA Guidance Series).

C3. Evaluating social impacts

C3.1 Evaluating negative social impacts

The SIA component of the EIS should include an evaluation of the significance of each potential negative social impact without mitigation. The evaluation should consider:

- who specifically is expected to be adversely affected (directly, indirectly and/or cumulatively), including any vulnerable people, and the level of concern they feel about the matter (high, medium or low)
- when the potential negative social impact is expected occur, for example, pre-construction, construction, operation, closure and/or post closure
- the four impact characteristics assessed during scoping (extent, duration, severity, sensitivity)

- the potential level of social risk posed by the negative social impact from the perspective of those expected to be affected (as opposed to risk to the project),³⁵ considering (Figure 6):
 - the consequence of the potential social impact, that is, minimal, minor, moderate, major or catastrophic (or reasonable worst-case)
 - the likelihood of the potential negative social impact – a more detailed likelihood scale should be applied than the three-point scale used in scoping (see Appendix A, Section 1), for example, ‘rare’, ‘unlikely’, ‘possible’, ‘likely’, and ‘almost certain’.

Figure 6: Social risk matrix³⁶

			Consequence Level				
			1	2	3	4	5
			Minimal	Minor	Moderate	Major	Catastrophic
Likelihood Level	A	Almost certain	A1	A2	A3	A4	A5
	B	Likely	B1	B2	B3	B4	B5
	C	Possible	C1	C2	C3	C4	C5
	D	Unlikely	D1	D2	D3	D4	D5
	E	Rare	E1	E2	E3	E4	E5
Social Risk Rating							
	Low		Moderate		High		Extreme

In relation to the evaluation of social risk, the definitions and scale assigned to each of the likelihood and consequence categories need to be relevant to the impact that is being evaluated, explained and justified in the SIA component of the EIS. For example, for consequences to human health and safety, ‘catastrophic’ may be classified as an impact that results in fatality, while ‘minimal’ may be classified as an impact that results in no injury.³⁷ Where possible, the consequence scale should be based on established measures and standards. As a starting point, the Australia New Zealand standard on risk management provides a generic guide for managing risk,³⁸ which can be adapted and applied to a social impact context.³⁹

The SIA component of the EIS should explain and justify the logic, evidence and assumptions used to complete the evaluation for each negative social impact.

³⁵ Kemp, D. et al (2016). Differentiated social risk: Rebound dynamics and sustainability performance in mining. *Resources Policy*, 50, 19-26.

³⁶ Based on matrix used in Vanclay, F., et al. (2015): p. 49.

³⁷ Department of Industry and Investment (2009). *Risk assessment workbook for mines: Metalliferous, extractive and opal mines, and quarries* http://www.resourcesandenergy.nsw.gov.au/___data/assets/pdf_file/0005/315095/IGA-019-Risk-assessment-workbook-for-mines.pdf. See also: Department of Industry, Innovation and Science and Department of Foreign Affairs and Trade (2016). *Risk Management: Leading Practice Sustainable Development Program for the Mining Industry*: <https://industry.gov.au/resource/Documents/LPSDP/LPSDP-RiskHandbook.pdf>.

³⁸ AS/NZS ISO 31000:2009.

³⁹ The social risk matrix is one approach and is recommended as a useful starting point. Other risk management tools that could be adapted to support a relative assessment of social risk include critical incident response procedures, bow-tie analyses, and trigger actions response plans. See Department of Industry, Innovation and Science and Department of Foreign Affairs and Trade (2016), pp. 36-39, for an example of the application of bow-tie analysis to community distress caused by reduced visual amenity. If such an alternative is used, the reasons should be explained and justified.

C3.2 Evaluating positive social impacts

The positive social impacts of a project will be of relevance when assessing the merits of the proposal. Maximising the positive social impacts can help to enhance the social licence for, or community acceptance of, a project, among other potential benefits (see Section 4 of this guideline). Applicants should think about how their project will contribute to the social development of local communities, not just in terms of individual benefits, but in terms of overall community wellbeing.

The evaluation approach outlined in Section 3.1 of this Appendix can be used to evaluate the significance of positive social impacts by adjusting the approach taken and replacing:

- 'level of concern' with level of interest
- 'severity' with scale of improvement or benefit
- 'sensitivity' with importance placed on the improvement or benefit and the equity of its distribution
- 'social risk' with an assessment of likelihood and the scale of improvement or benefit.

Other tools and resources to help develop and assess positive social impacts include: sustainable livelihoods approach⁴⁰; community capitals approach⁴¹; asset-based community development⁴²; and social framework for projects.⁴³

As for negative social impacts, the SIA component of the EIS should explain and justify the logic, evidence and assumptions used to complete the evaluation for each positive social impact.

C4. Developing responses to social impacts

C4.1 Negative social impacts

Applicants should make clear how negative social impacts will be managed, particularly those evaluated as significant.⁴⁴ In the first instance, applicants should consider measures to avoid the impact by amending the project design. If avoidance is not possible, measures to reduce the impact (for example, change how the project is designed, constructed, operated or decommissioned) or to limit its influence (for example, restoring the affected social environment).

As per the assessment and conditioning framework in the Department's draft Approach to setting conditions guideline (Guideline 7 in the draft EIA Guidance Series), the resulting mitigation measures can be:

- Performance-based – identifies performance criteria that must be complied with to achieve an appropriate outcome but do not specify how the outcome is to be achieved. Sufficient supporting evidence would need to be provided in the EIS to demonstrate why the performance criteria are appropriate.

⁴⁰ For example: Coakes, S. and Sadler, A. (2011). Utilising a sustainable livelihoods approach to inform social impact assessment practice. In: Vanclay F. and Esteves A.M., eds. *New directions in social impact assessment: Conceptual and methodological advances*. Cheltenham: Edward Elgar; 323–340.

⁴¹ For example: Emery, M. and Flora, C. B. (2006). Spiraling-up: Mapping community transformation with community capitals framework, *Community Development*, 37(1): 19-35 <https://www.uvm.edu/rsenr/rm230/costarica/Emery-Flora-2006.pdf>.

⁴² For example: Mathie, A. and Cunningham, G. (2003). From clients to citizens: Asset-based community development as a strategy for community-driven development. *Development in Practice*, 13:5, 474-486.

⁴³ See: Smyth, E. and Vanclay, F. (2017).

⁴⁴ The focus should be on addressing negative social impacts that have been evaluated as significant. However, an applicant may still choose to implement and document mitigation measures for impacts that are regarded as unlikely to occur and to only have minor consequences if they do, particularly if it would be relatively easy to avoid, mitigate or otherwise manage.

- Prescriptive – itemises actions that need to be taken or things that must not be done, for example, adopt a known best-practice technology, design or management approach to mitigate the impact. The applicant needs to be able to justify why this approach is appropriate by providing scientific evidence, or referencing relevant guidelines or case studies.
- Management-based – where the potential impacts can be satisfactorily avoided or mitigated by implementing known management approaches. Applicants should provide details on the proposed management approaches in the EIS to provide greater transparency and certainty.

The applicant should explain and justify the expected effectiveness of any proposed measures (including any limitations), and include a discussion of the acceptability of any residual negative social impacts, informed by evidence of that acceptability. Where more than one mitigation measure is available, it should also include a discussion of options, and should explain the reasons for choosing the preferred measure.

The following factors should also be considered when developing mitigation measures:

- Ensuring that there is a clear connection between the mitigation measure and the negative social impact being mitigated.
- Whether there is an applicable standard that defines what is acceptable. For instance, if a project demonstrates that it can operate, with mitigation measures, in accordance with the non-discretionary development standards for mining in clause 12AB of the Mining SEPP, no further action will be required but it does not prevent applicants from considering options to manage residual social impacts.
- Whether the project is the sole or primary cause of the negative social impact and the scale of its relative contribution to the overall or cumulative impact experienced by those who are affected. There may be cases where it will not be appropriate or possible for an individual applicant to bear full responsibility for mitigation and management and collaborative multi-stakeholder mitigation measures may be more suitable.⁴⁵
- Whether the mitigation measure requires action by another party that the applicant is not responsible for funding or delivering. For instance, a response to potential increased demand for government services could be to notify the relevant agency and potentially collaborate to manage it.
- Whether the mitigation measure itself has the potential to cause negative social impacts. For instance, if acquired properties are not properly maintained, pest control problems may arise for neighbouring properties. Similarly, the loss of the households that lived in those properties may affect the viability of the rest of the community.
- Whether the mitigation measure is cost-effective. If it is not, a clear justification and supporting evidence should be documented in the SIA component of the EIS.
- The extent to which the mitigation measure is acceptable to those who are expected to be affected by the potential negative social impact.
- Whether the mitigation measure (or measures) is capable of addressing all reasonably foreseeable scenarios.
- Whether the mitigation approach is prescribed in a government policy, for example, the Voluntary land acquisition and mitigation policy for State significant mining, petroleum and extractive industry developments (2014) describes the NSW Government's policy on the use of negotiated agreements, voluntary mitigation rights, and (as a measure of last resort) voluntary acquisition rights to manage noise and dust (particulate matter) impacts from State significant resource projects.

⁴⁵ For example, the Hunter River Salinity Trading Scheme is a market-based mechanism for managing the cumulative impact of mining, agriculture and electricity generation on salinity levels in the Hunter catchment. It allows for continued economic development while also protecting the river and the ecological services and other benefits it provides to communities in the region.

Once the proposed mitigation measures have been decided, the applicant should re-evaluate the negative social impacts with mitigation using the approach outlined in Section 3 of this Appendix, and, in addition, describe the expected residual impact after mitigation is implemented. The results of the evaluation should be summarised and clearly presented in a table format like Table 6.

Table 6: Summary comparison of evaluation results for negative social impacts, without and with mitigation

Impact description			Impact without mitigation		Impact with mitigation		
Impact	Timing	Affected parties	Impact characteristics	Social risk rating	Impact characteristics	Social risk rating	Residual risk description

C4.2 Positive social impacts

Applicants should 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 equitably. Measures to enhance positive social impacts – often identified as opportunities or benefits – should be designed so that they can be monitored and implemented effectively. Ideally, affected communities will be involved in design and delivery of positive social impacts.

If a positive social impact requires certain steps to be taken to achieve it (for example, implementing a procurement policy that requires that a proportion of goods and services to be sourced from local providers), these steps should be clearly explained in the SIA component of the EIS.

Occasionally, strategies to enhance positive social impacts may also help to offset negative impacts. In these cases, connections between enhancements, impacts, and mitigation measures should be clearly described and justified.

It may be appropriate to link certain enhancement (and mitigation) measures to a voluntary planning agreement (see Box 6).

Box 6: Voluntary planning agreements

For State significant resource projects, the applicant will typically enter into a planning agreement with the relevant local council/s for the area in which the project is located. Under the planning agreement, the applicant may agree to dedicate land free of cost, pay a monetary contribution or provide any other material public benefit (or any combination of these). The planning agreement can provide a means to formalise both mitigation and enhancement measures developed through the SIA component of the EIS.

The EP&A Act requires that the planning agreement be directed towards a public purpose and provides that the expenditure on benefits under a planning agreement need not be wholly related to the development. A public purpose can include (without limitation)⁴⁶:

- provision of, including recoupment of, the cost of public amenities or public services
- provision of, including recoupment of, the cost of affordable housing
- transport or other infrastructure relating to land
- funding of recurrent expenditure relating to the provision of public amenities or public services
- affordable housing or transport or other infrastructure
- monitoring of the planning impacts of development
- conservation or enhancement of the natural environment.

Planning agreements provide a preferred means of administering community enhancement funds in accordance with clear criteria and transparent processes.

Planning agreements are voluntary and the EP&A Act does not provide guidance for determining the quantum of contributions under an agreement. However, planning agreements should be commensurate with the scale and nature of the impacts on council infrastructure and services, taking into account other forms of contribution and any local benefits that the project is expected to deliver. Planning agreements may account for both the direct and indirect impacts of a resource project on a community, and may also relate to impacts on the social fabric of the community. The impacts of a resource project will be different in each case. Because of this, planning agreements will also be different. However, planning agreements are commercial contracts and should be managed and implemented as such.

C5. Developing a monitoring and management framework

As per the assessment and conditioning framework in the Department's draft [Approach to setting conditions guideline](#) (Guideline 7 in the draft EIA Guidance Series), mitigation measures should include details on when and where the measure applies, and how effectiveness will be monitored and maintained (for example, trigger and response actions for performance-based measures). This includes the relevant measurable performance criteria and/or management objectives. For enhancement measures, the applicant should consider preparing a plan that explains how and when the opportunities or benefits will be achieved.

The analysis and research conducted for the SIA component of the EIS also provides a basis for developing an overall framework for monitoring and managing residual social impacts over the life of a State significant resource project. The arrangements can be integrated into the applicant's overarching environmental management systems, but should include the following elements:

⁴⁶ See section 93F (2) of the EP&A Act.

- a program of monitoring predicted social impacts against actual social impacts which describes: the purpose of monitoring and the parameters that will be monitored; how and when monitoring data will be collected; and any proposed community participation in monitoring
- an incident notification and reporting process, including providing information to the community
- a program for the ongoing analysis of social risks arising from the activities associated with the project,⁴⁷ including timing and frequency of reviews
- research to reduce key uncertainties, if needed, setting out: why further research is needed; when and how it will be carried out (and by whom); and how the results will be used
- a process for reviewing the above elements to assess whether they are still appropriate, and whether any new issues have emerged that should be included in ongoing monitoring. It should describe at a minimum the type and level of community and stakeholder participation in reviews and the timing and frequency of reviews. This process should occur following: reportable incidents; when non-compliances are identified; following environmental audits that identify issues that require attention; and following project modifications
- a process for making monitoring results and associated information publicly available, including any revisions to the monitoring and management framework.

Where possible:

- mechanisms for data-sharing across projects or areas should be considered for cumulative impacts
- monitoring should periodically be conducted independently of the applicant, consistent with the principles of transparency, rigour and impartiality
- monitoring and adaptive management should include practical mechanisms for the community to collaborate (for example, 'community-based monitoring' would enable community members to gather and record their observations and experiences of social impacts, supported by adequate training and resources.⁴⁸

⁴⁷ Risk management tools that could be adapted to deal with risks to people include critical incident response procedures, bow-tie analyses, and trigger actions response plans. See Department of Industry, Innovation and Science and Department of Foreign Affairs and Trade (2016), pp. 36-39, for an example of the application of bow-tie analysis to community distress caused by reduced visual amenity.

⁴⁸ Hunsberger, C., Gibson, R., and Wismer, S. (2005). Citizen involvement in sustainability-centred environmental assessment follow-up, *Environmental Impact Assessment Review*, 25: 609-627.

Appendix D – Review questions

Applicants should consider the questions below when checking if their SIA follows this guideline.⁴⁹

SIA REVIEW QUESTIONS

General

1. Has the applicant applied the principles in Section 1.3? How?
2. Does the lead author of the Scoping Report meet the qualification and skill requirements in Box 2?
3. Does the lead author of the SIA component of the EIS meet the qualification and skill requirements in Box 4?
4. Has the lead author of the SIA component of the EIS provided a signed declaration certifying that the assessment does not contain false or misleading information?

Community engagement for social impact assessment (Section 2)

5. Does the SIA include adequate explanations of how the engagement objectives have been applied? How?
6. Does the SIA demonstrate that there has been a genuine attempt to identify and engage with a wide range of people, to inform them about the project, its implications and to invite their input? How?
7. Does the SIA demonstrate that an appropriate range of engagement techniques have been used to ensure inclusivity and to ensure the participation of vulnerable or marginalised groups? How?

Scoping – area of social influence (Section 3.1)

8. Does the Scoping Report identify and describe all the different social groups that may be affected by the project?
9. Does the Scoping Report identify and describe all the built or natural features located on or near the project site or in the surrounding region that have been identified as having social value or importance?
10. Does the Scoping Report identify and describe current and expected social trends or social change processes being experienced by communities near the project site and within the surrounding region?
11. Does the Scoping Report impartially describe the history of the proposed project, and how communities near the project site and within the surrounding region have experienced the project to date and others like it?

⁴⁹ These review questions are generally adapted from Vanclay, F. et al. (2015).

SIA REVIEW QUESTIONS

Scoping – identifying social impacts (Section 3.2, Appendix A and Appendix B)

12. Does the Scoping Report adequately describe and categorise the social impacts (negative and positive), and explain the supporting rationale, assumptions and evidence for those categories?
13. How has feedback from potentially affected people and other interested parties been considered in determining those categories? Does the Scoping Report outline how they will be engaged to inform the preparation of the SIA component of the EIS?
14. Does the Scoping Report identify potential cumulative social impacts?

Social baseline study (Appendix C – Section C1)

15. Does the SIA component of the EIS discuss the local and regional context in sufficient detail to demonstrate a reasonable understanding of current social trends, concerns and aspirations?
16. Does the SIA component of the EIS include appropriate justification for each element in the social baseline study, and provide evidence that the elements reflect the full diversity of views and potential experiences in the affected community?
17. Does the social baseline study include an appropriate mix of quantitative and qualitative analysis, and explain data gaps and limitations?

Prediction and analysis of impacts (Appendix C – Section C2)

18. Does the SIA component of the EIS 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?
19. Does the SIA component of the EIS identify potential impacts at all stages of the project life cycle?
20. Does the SIA component of the EIS appropriately identify and justify any assumptions that have been made in relation to its predictions?
21. Does the SIA component of the EIS include appropriate sensitivity analysis and multiple scenarios to allow for uncertainty and unforeseen consequences? If relevant, does it include comparisons with studies of similar projects elsewhere?

SIA REVIEW QUESTIONS

Evaluation of significance (Appendix C – Section C3)

22. Does the SIA component of the EIS explain how impacts were evaluated and prioritised in terms of significance?
23. Does the evaluation of significance consider cumulative aspects where relevant?
24. Does the evaluation of significance consider the potentially uneven experience of impacts by different people and groups, especially vulnerable groups?

Responses and monitoring and management framework (Appendix C – Sections C4 and C5)

25. Does the SIA identify appropriate measures to avoid, reduce, or otherwise mitigate any significant negative impacts of the project, and justify these measures?
26. Does the SIA explain and justify measures to secure and/or enhance positive social impacts?
27. Does the SIA component of the EIS impartially assess the acceptability, likelihood and significance of residual social impacts?
28. Does the SIA component of the EIS propose an effective monitoring and management framework?

Modifications (Introduction – application)

29. Are the social impacts associated with the modification expected to be new or different (in terms of scale and/or intensity) to those that were approved under the original consent? If yes, apply the review questions above to the SIA component of the environmental assessment.

