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Social Impact Management Toolbox for State Significant Projects

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Social Impact Management Toolbox for State Significant Projects

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Introduction

Social impacts are the consequences that people experience when a state significant project brings about change. This type of change can be uniquely social or intrinsically related to other environmental impacts such as noise, air quality, traffic or safety.

There are 2 key processes in place to ensure good social outcomes from state significant projects:

- **Social impact assessments (SIAs)** that identify and predict potential social impacts so that negative impacts can be avoided, mitigated or managed, and positive impacts can be enhanced and communicated. Actions in the SIA to manage social impacts and benefits will form part of the project approval.
- **Social impact management plans (SIMPs)** are for social impacts that proponents can only plan for after a project or development has been approved. Proponents may be required to prepare and implement a SIMP through the Secretary's Environmental Assessment Requirements or as a condition of consent.

Purpose of this toolbox

This document outlines principles to guide the effective management of social impacts. It encourages proponents to publicly affirm how they will manage unforeseen or ongoing matters with the community. It also highlights the importance of managing impacts proactively rather than reactively.

We call it a 'toolbox' because it includes a range of approaches (or tools) that you could use. Whether you use a statement of intent or detailed mitigation actions in the SIA or SIMP, the toolbox will help you transform your approach from managing complaints and issues to engaging positively with affected communities. It is up to you to determine what is appropriate for the circumstance or impact you are managing.

This toolbox builds on the *Social Impact Assessment Guideline for State Significant Projects* ([SIA Guideline](#)) by providing more guidance on managing social impacts and the implementation of SIMPs.

Who should use this toolbox

Project proponents and their contractors should use this toolbox as they respond to and adaptively manage social impacts. While the toolbox can be used for all projects, it will particularly benefit projects with a high level of uncertainty or dynamism, including those that need adaptive mitigation measures or conditions to be effective.

Assessment and compliance officers and community liaison officers can also use this toolbox to guide their conversations with project proponents and the community.

When to use this toolbox

Use the toolbox in a range of situations from planning to implementation. You can use it when:

- developing a framework for social impact management and monitoring, particularly for projects with complex social issues that need to include a draft SIMP in their SIA
- carrying out your SIA or SIMP mitigation measures and actions
- managing social impacts arising from implementing multiple and intersecting environmental management plans.

Part A: Principles

We encourage you to get the greatest possible community benefits from state significant projects and work well with affected communities to manage potential social impacts.

Principle 1: Invest in relationships of trust with communities

The process of understanding affected communities begins early, during project development. A nuanced, appropriate and sensitive approach requires a long-term investment in building relationships with communities. These relationships will guide social research for the SIA and help manage social impacts in a tailored and responsive way.

Genuine engagement requires you to listen and communicate in the language of the community. Engagement must establish, build and maintain quality and trusting relationships, which requires adequate time and resources.

If you're working with Aboriginal communities and stakeholders, refer to the [Practice Note - Engaging with Aboriginal Communities](#), which reflects the SIA Guideline principles of transparency, inclusivity and distributive equity.

Your key aim is to gain the social licence to operate – this is a general acceptance of the project. However, social licence can be dynamic, temporary and based on perception of relationships between the project proponent, its consultants, delivery partners and contractors and the many affected communities.

You will need to actively maintain these relationships to maintain social licence and manage the changing perceptions, experiences and information in the community. Investing early and maintaining genuine relationships is fundamental to achieving social licence. It should be integral to everyone's work practices.

Benefits

- Insights and information from genuine engagement helps you to understand the whole story. This informs SIA planning and decisions that minimise project and social risks, especially for the most disadvantaged people.
- You can focus on affected individuals and groups in responses to impacts, issues and concerns, which has clear social benefits as well as saving time, resources and costs for the project.
- Communities feel listened to and respected because it is clear how the information they share and issues they raise inform project responses.
- People feel welcome to participate fully in the project, rather than only when there is an issue or a complaint.

- Proactive engagement and meeting people in places where they feel comfortable builds trust and potentially increases understanding and support for the project.
- Communities that believe and trust the people they are dealing with are more willing to participate and listen even if the impacts are significant and difficult conversations are necessary.

Principle 2: Respond to changing contexts throughout the life of the project

The scale and scope of state significant projects vary from a single locality to linear infrastructure projects such as roads and railways that cross multiple localities and places. This means there are various impacts at different stages of project delivery and operation.

As projects change, the physical, cultural and social contexts in which they operate can also change, resulting in potentially unforeseen or dynamic social impacts. Recognising and understanding these contexts allows you to respond to and manage impacts.

This approach is consistent with the SIA Guideline principles of being adaptive, lifecycle focused and action-orientated.

Benefits

- Responses to impacts, issues and concerns that occur throughout the project can be more targeted to the affected groups and individuals, which has social benefits as well as saving project time, resources and costs.
- Coordinating different projects at the same time can minimise the burden of cumulative impacts on affected communities. Failing to address cumulative impacts can lead to fatigue and less acceptance and support for the project.
- A proactive and adaptive approach to managing social impacts can reduce conflict and complaints that could otherwise increase project costs and delays.

Part B: Toolbox

This toolbox represents a how-to of managing post-approval social impacts with effective and responsive actions that can lead to good relationships and mutual respect.

Some tools are useful in some contexts but not in others. While we provide a range of considerations (or tools), they may not all be relevant in every circumstance. Similarly, there may be other considerations beyond the tools we identify that could be relevant to a certain context.

1. Consider the evolution and scale of the project

State significant projects vary from new schools to major transport infrastructure or resource projects. Social impacts will also vary significantly. This requires you to consider the combination of social impacts, their complexity, and at times their intangible nature to understand how you will manage them across the whole of the project's life cycle. Many state significant projects also evolve considerably during planning and development, reinforcing the need to manage changing and emerging social impacts.

Key consideration to manage the changes

How does the project life cycle alter how I manage social issues?

- Has project refinement or new operational timeframes altered the nature and timing of assessed social impacts in the SIA or created new impacts?
- Are management responses still relevant and effective?
- What needs to happen to plan for and manage post-approval social issues identified in the SIA?
- Is there a clear mechanism to reassess, update and implement SIMP actions to respond to changing timeframes and location of works or unforeseen situations?

Are the proposed management actions focused on people and appropriate to the scale of the project?

- Has your understanding of the communities, their way of life, culture and livelihoods informed nuanced responses that address varying experience, vulnerabilities and severity of impacts?
- Have affected communities been involved in informing and developing SIMP actions?
- Is there ongoing coordination with other agencies or organisations delivering projects in the same locality to understand, mitigate and manage potential cumulative impacts?
- Are actions acceptable to the affected communities and appropriate to the scale of the project and impacts?
- Can the actions and their effectiveness be genuinely measured and communicated?

- Have you considered potential tangible benefits to the local economy, such as buying or hiring locally through a formalised procurement process?
- How could the project increase community wellbeing? For example, committing to local recruitment, working with local TAFE and businesses on apprenticeships, creating graduate positions with nearby universities or other educational institutions, focusing on employment opportunities for Aboriginal people, young people, women and/or people with disability.

You may consider appointing a social advisor to help you manage social risks, opportunities, and impacts. A social advisor can help to proactively achieve compliance with the SIA by coordinating management actions with other disciplines and responding to unexpected impacts and opportunities.

2. Project acceptance is dynamic – plan for the unexpected

We think of affected and wider community acceptance and understanding of a project's social benefits and potential impacts as social licence. This is critical for minimising risk and ensuring the project is delivered on time and within budget.

Social licence needs a clear line of sight from the proponent to those responsible for project delivery (such as construction contractors). This is so all project partners are involved in achieving community outcomes and contributing to the social licence to operate.

Everyone involved needs to understand that communities grant the social licence based on the perceived quality of the relationship and level of communication. Social licence is dynamic and temporary. It must be consistently maintained because perceptions and experiences can change with new information or a changing context or situation in the operation and delivery of the project.

The challenge is to monitor, measure, mitigate and respond to perceptions and opinions throughout the life cycle of the project.

Social licence can range from rejection to acceptance, approval, support or trust. It happens outside of formal processes and requires an ongoing investment to build relationships based on trust, built on 'timely and effective communication, meaningful dialogue, and ethical and responsible behaviour.'¹

Figure 1 adapted from Thomson and Boutilier² illustrates the spectrum of risks and benefits of achieving a social licence.

¹ C Horvath and B Yates, 'Social license to operate: How to get it, and how to keep it', Pacific Energy Summit – 2013 Summit Working Papers, 2013

² I Thomson and Robert G Boutilier, 'Modelling and Measuring the Social License to Operate: Fruits of a Dialogue Between Theory and Practice', Soc Proceedings, International Mine Management, Queensland, Australia, 2011

Community trust

The affected communities have a high level of trust in the project and proponent, therefore the social, economic and political risks are low.

The management of social impacts is collaborative, with participation by communities. There is a shared understanding of the project value and positive benefits to a wider stakeholder group.

Engagement based on mutual respect leads to better outcomes.

Community approval - Support

The project and/or proponent is considered credible. The social, economic and political risks are low-medium, though a positive perception of broad community benefit and genuine engagement is key.

Communities feel seen and listened to as a result of the social impact management being more proactive. This leads to greater tolerance of issues and impact to daily life and the proponent is perceived by the majority to be honest, act fairly and keep promises.

Engagement is likely to be more respectful and focused on mutual dialogue and relationship building, making hard conversations a little easier.

Community tolerance - Acceptance

The project and/or proponent is considered legitimate, however, the social, economic and political risks remain high and the threat of social licence being withdrawn is constant.

The perceived project benefit is only financial and for a small stakeholder group, not the wider community. It is likely proponents will likely be responding to ongoing complaints and issues, their relationship with the broader communities of interest will be adversarial and engagement will be reactive.

Affected communities are likely to have very limited tolerance of impacts on their daily lives.

Community withdrawal - Rejection

The project is considered inappropriate, invalid, or even unlawful, either in part or as a whole by the wider community and/or the proponent is considered distrustful.

At this level, there are no perceived benefits, the impact to the local way of life is untenable and there is no social licence to operate. The social, economic and political risks are significant, and the proponent is likely to experience delays, cost impacts, reputational damage and legal challenges.

Engagement with affected communities is likely to be oppositional, and confrontational.

Figure 1. Achieving good social impact management and social licence to operate (adapted from Thompson and Boutilier)

Key considerations in a dynamic project

- What level of acceptance do you want for the project and what is possible, given the scale of impacts and project stages?
- Will the proposed mitigation and management actions help to maintain social licence throughout the life cycle of the project?
- Are you proactively and flexibly responding to emerging issues at different stages of the project's life cycle with appropriate engagement and communications?
- Is there an effective mechanism to respond quickly to unexpected impacts, situations or changes to the operating context that will minimise and mitigate negative social impacts? Is that mechanism clearly understood by the community?

3. Build respectful relationships with the community in their language

Building respectful relationships early in project planning will help you to understand affected communities and inform the ongoing management of social impacts.

Communicating with the community in their language, starting conversations early, being open and honest, establishing clear expectations, being accountable to your commitments and having hard conversations builds trust. Engagement that builds this trust will achieve positive outcomes for the project and communities.

Be aware that the language you use and the intent behind it can be interpreted differently. You may be engaging with:

- affected communities (and the different people/groups within them)
- communities of interest
- government (including different levels of government and agencies)
- compliance officers
- community liaison officers
- contractors or the project owner.

Each group will have their own perspectives and interests.

Focus on people and building relationships rather than engagement based on processes, procedures and tasks that are transactional and just a 'tick the box'.

Nurturing relationships can yield long-term social, economic and reputational benefits for the project, proponent, community and individuals. It will move approaches from reactive, adversarial complaint-management situations to productive, and collaborative working relationships.

Building trust is a key way to navigate difficult and sensitive issues effectively and respectfully.

Practical ways to build trust and talk with the community

- Use everyday language that will help to build people's confidence and support meaningful participation in discussions and decisions.
- Get to know the community and the variety of languages spoken, cultural traditions and sensitivities, social disadvantage and how people share information.
- Go to where people live, connect or socialise and talk to them in person. Consider doorknocking, street meet and greets, project information stalls at local markets and events, meeting on Country, community surveys or interviews.
- Provide regular updates to proactively manage social impacts. Choose a frequency and type of communication that responds to who the communities are, what the scale of the impact is and how long the impact will affect people.
- Combine your understanding of the communities and the project stages. Use this to develop an engagement approach that has the nuance and flexibility to effectively manage the social impacts for different social groups and different localities at different times and appropriately respond.

Deliver on what you say you will do. Simple things can erode trust and understanding. Follow up and follow through so people can believe what you say and that you respond genuinely.

Consider how the community sees you and your project

Do the project owners/contractors respect us?

Rather than ... How do we maintain positive brand/reputation?

Are the project owners/contractors listening to us?

Rather than ... We understand the community demographics, local culture and the place.

Do the project owners/contractors let us participate?

Rather than ... We educate local stakeholders about the project.

Are the project owners/contractors transparent with us?

Rather than ... Ensuring open communication and collaboration amongst all stakeholders.

Can we believe what the project owners/contractors say?

Rather than ... Creating business partnerships with communities.

Are project owners/contractors responsive to our issues and do they empathise?

Rather than ... We use innovative approaches and technology to streamline issues management.

Can we trust project owners/contractors?

Rather than ... We will build capacity and support the community.

Adapted from Nelson, 2005, in I Thomson and SA Joyce, [The Social License to Operate: What it is and why it seems so hard to obtain](https://sociallicense.com/publications.html), March 2008. Slide Deck to accompany Keynote Presentation at the Prospectors and Developers Association of Canada Convention, Toronto, Canada. <https://sociallicense.com/publications.html>

4. Continually learn about and from communities

The community is not static; it may change throughout the project life cycle. Adapt your management actions to respond to the changing community. Remember that the project itself may also change the community.

Knowing the communities you are working within allows for nuanced, appropriate, sensitive and effective social impact management. Learn how people live, get around, work, play and interact, their sense of place, and their overall health and wellbeing. Think about how the social benefits and impacts will be experienced differently by different social groups or localities and each group's resilience and capacity to respond to the impacts.

Knowing your communities and learning from them helps you to build specific and effective engagement and social impact management actions. For example, daytime construction work may have a greater impact on health and wellbeing in a locality where more retired people or families with infant children live, whereas a locality with many businesses may experience greater impacts on livelihoods, accessibility and surroundings.

Key considerations to align response with affected communities

- Have you updated the social baseline of the affected communities identified in the SIA?
- Have you considered the cultural diversity of communities? Are you using culturally appropriate engagement activities, or management and mitigation actions?
- Do the activities and resources respond to the needs of different social groups and allow easy access to participate in decision-making or discussions?
- Have you been impartial and unbiased in who you talk to and the data you consider? Have you included marginalised social groups or individuals so that your decisions aren't only based on insights from select groups?
- Do your project delivery approaches enable you to respond to new, unique or different circumstances and contribute to greater community investment and connection?

Practical ways to achieve this

- Continue to meet and talk to people in person to build trust, gain insights and understand the community beyond demographic analysis.
- Identify the places, sites and landscapes significant to people and how they will be protected. Work with the community and experts to develop solutions together, such as partnerships with local Landcare groups to protect bushland.
- Work with local Aboriginal Elders and communities to understand connections to Country, significance of places and how the project may influence the use of the place and impact on people and traditions.
- Work with local service providers and communities to understand how different people will be impacted by changes to transport services, removal or disruption to infrastructure such as footpaths or changing access to local community services and how to mitigate and minimise these impacts.

- To identify the potential disruptions, get involved with local community members on site to experience first-hand the important features and aspects of a place, its stories, and how people use the built and natural environment.
- Run tours of the project site to educate people about the construction and operational process of the project. This can also help to identify issues earlier.
- Create temporary spaces and uses to benefit the community during construction and to allow people to imagine what the place/space will be and how it could be used.
- Establish a project reference group (or coordinate with existing reference groups) with representatives from relevant state agencies and the community to share information, discuss issues and decide on appropriate responses together. Ensure a diversity of people (age, culture, gender, ability) to provide multiple viewpoints and experiences.
- If appropriate, appoint a social advisor to advise on and manage engagement with communities and social impact management.

5. Develop an accessible, clear and responsive SIMP

The post-approval phase for complex projects will likely require iterative mitigation, enhancement, monitoring and managing of social impacts. You may need to develop a post-approval SIMP if the SIA cannot effectively plan for the management and monitoring of significant social impacts.

Section 5 of the SIA Guideline outlines the information and elements required in a SIMP. Figure 2 illustrates the relationship between the SIA, SIMP and principles.



Figure 2. Invest in relationships of trust with communities

Key considerations when developing your SIMP

- Does the SIMP set out clear commitments that will improve social outcomes for state significant projects?
- What level of social licence and social impact management are you aiming to achieve and does the SIMP reflect this aim?
- Are the proposed management and mitigation actions specific to the context of the people and place? Will they respond to the needs and experiences of different social groups at different times?
- Will proposed actions support practical, achievable and effective outcomes?

- Are the proposed actions informed by SMART (specific, measurable, achievable, relevant and time-specific) principles?
- Is the engagement approach proactive? Does it demonstrate that you respect and value the community's views, concerns and participation?
- How will you make sure communication is honest, trustworthy and respectful? How will you make sure you are open and accountable in responding to issues and impacts?
- Do people know whom to contact to report issues or make enquires? Is project information easy to access?
- What localised social, economic and environmental benefits will be achieved? How will these be measured?

A scaled approach to social impact management

We suggest a scaled approach to developing and presenting measurable and defined targets and actions for social impact management. The detail and scale of actions must be appropriate for the impact.

For smaller state significant projects that are likely to have limited or well understood social impacts, mitigation and management actions may only be required for some categories of impact and only for a short period. In these cases, impact management can typically be addressed in the SIA or through conditions of consent.

State significant projects likely to have a moderate to large social impact over an extended period present a greater degree of complexity in managing social impacts. This may be because of the:

- scale and social locality expanding across multiple areas
- project or social context being particularly dynamic
- potential for further detailed design to influence the social impacts.

These projects are likely to have various categories of impact and multiple areas and communities that require different responses at different project stages. There may be many actions to mitigate and manage social impacts, and these projects will likely need a post-approval SIMP.

The SIMP should be founded on a robust SIA that identifies impacts and considers locational context, timing, frequency, meaningful actions, and how actions will be measured and reported. It should clarify how known social impacts will be managed and mitigated, how unexpected impacts and/or unforeseen situations will be addressed, and any commitments for positive social outcomes. It should detail the process to manage any unexpected impact or unforeseen situation.

All actions and mitigations from the SIA and SIMP need to be clear, consistent and time-bound. It must be possible to deliver and measure them. The example framework in Table 1 and Table 2 reflects the SIA Guideline categories of impacts. It can be presented in draft in the SIA and further refined in the SIMP. This framework links actions or mitigations to specific impacts, stakeholder groups affected, timeframes, risk and how they will be measured.

Example framework: SIMP Mitigation and management activities

Table 1. Example: Health and wellbeing

Category of impact*	Identified social impact/opportunity	Project lifecycle	Who will be affected?	Mitigation or enhancement	Desired community outcome	Responsibility	Measuring effectiveness (indicators and target)	Method (data and source)	Monitoring and reporting frequency	Adaptive measure if target not met	Cumulative impact
A1	Increased anxiety from construction noise										
A2	Improved health outcomes from new public open space										

*As defined in the SIA Guidelines 2021

Table 2. Example: Accessibility

Category of impact*	Identified social impact/opportunity	Project lifecycle	Who will be impacted?	Mitigation or enhancement	Desired community outcome	Responsibility	Measuring effectiveness (indicators and target)	Method (data and source)	Monitoring and reporting frequency	Adaptive measure if target not met	Cumulative impact
B1	Reduced capacity of medical services due to population influx										

Table 3 explains the items in the framework above.

Table 3. Items in the framework

Item	Explanation
Category of impact/opportunity	Use the categories of impact in the SIA, based on those in the SIA Guideline, to frame identified social impacts and proposed mitigation, improvement and management actions.
Identified social impact or opportunity	Use the SIA, which identifies social impacts and opportunities.
Project life cycle	Show the scale, spatial extent and duration of the impact as it happens during project stages, such as preparation, construction and operation.
Who will be affected?	Use the SIA, which identifies the key groups and/or individuals likely to be affected. Specify social cohort, community of interest or a spatially defined community to target actions and minimise negative impacts, particularly on vulnerable or marginalised groups.
Mitigation or enhancement measures	Show the actions to minimise, manage and mitigate impacts and to secure or enhance benefits and include other management plans (e.g. a noise management plan).
Desired community outcome	This may be identified in the SIA and refined or re-determined in the SIMP to make the social objective of the mitigation or enhancement measure clear.
Responsibility	Outline the agency, organisation or individual responsible for the action.
Measuring effectiveness (indicators and targets)	Identify performance indicators and what success looks like, including when targets should be met, to allow for effective monitoring and to differentiate the scale of impact.
Method (data and source)	Specify the data that will be collected for the indicator and its source.
Monitoring and reporting frequency	Outline how often the indicator will be monitored and how and how frequently it will be reported.
Adaptive measure if target not met	Outline what actions will be taken if the measures cannot meet the target.
Cumulative impact	Acknowledge potential cumulative impacts to ensure that the actions will be effective and coordinated. For large-scale projects, identify other projects that may impact social locality and any social impacts that may cumulatively affect the local community. While these may be identified in the SIA, other developments may emerge as the project progresses.

