

growing regions | strengthening industries



Sustainable Resource Communities Policy

Social impact assessment in the mining
and petroleum industries

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1. Overview

The mining and petroleum industries are a vital part of Queensland's economy, contributing over \$16 billion to Queensland's Gross State Product and employing over 30,000 people.¹

This economic activity is underpinned by a titling and registration framework, which is administered by the Queensland Government, with over 6,700 tenures issued and in force. Over 2,400 of the tenures issued are mining leases, of which more than 200 relate to coal mining. Of these coal mining leases, 53 support operating mines, with 45 of these mines located in the Bowen Basin.²

Over the past five years, the number of mining leases granted in Queensland has increased from 75 in 2002 to 113 in 2007.³

This rapid expansion of the mining industry in the Bowen Basin and accompanying population growth has had significant environmental, social and economic impacts on local communities in the region and in the adjacent coastal communities of Mackay, Rockhampton and Gladstone.

Resource communities benefit from resource development through the creation of more jobs and strong economies. However, the experience of the Bowen Basin has shown that major new and expanded mining and petroleum developments can also place significant pressure on social infrastructure, such as housing and community services, and create quality of life issues, such as choice in education services and the availability of health services.

Multiple concurrent and overlapping proposals for new and expanded mining development may also result in significant cumulative and regional impacts presenting in resource communities. These cumulative and regional impacts must be considered by all stakeholders in decision making and planning for resource communities.

Governments are not alone in their concern about the social and cumulative impacts of resource development. In parallel with the growth in mining and petroleum development has been a growing movement in the community and industry towards more social responsibility and sustainable development.

These convergent trends have resulted in a growing demand for the social impacts of proposed major new and expanded mining and petroleum developments to be considered, in addition to the broader environmental and economic impacts, as part of the application and approval process for the grant of mining and petroleum tenures.

The Government, in partnership with industry and local government, is committed to strengthening social impact assessment within existing Environmental Impact Statement processes. This will enable a coordinated response by the Government to mining and petroleum tenure applications, enhancing the Government's decision making and better informing the Government's planning for future mining and petroleum development.

This policy builds on the *Sustainable Futures Framework for Queensland Mining Towns* released by the State Government in June 2007. The initiatives contained in this policy reinforce the principles of leadership, collaboration, corporate responsibility, sustainability, communication and community engagement as outlined in the Framework.

Social impact assessments are undertaken by proponents of major new and expanded mining and petroleum developments as an integral element of the process and are required to secure government approval for a proposal. Examples of social impacts include: rapidly escalating housing prices due to the influx of resource workers; pressure on support services such as domestic violence due to the increased population; significant increases in heavy vehicle traffic affecting road safety; and changes to the community dynamic resulting from predominantly single men moving to the community for work reasons.

¹Dept. of Mines and Energy, 2007, *Summary Report - The Economic Significance of Mining and Mineral Processing to Queensland*, Brisbane.

²Dept. of Mines and Energy, 2008, unpublished data.

³Dept. of Mines and Energy, 2008, unpublished data.

Improved social impact assessments have been identified as a core strategy to deliver better community outcomes as they provide:

- An existing mechanism for identifying and appraising the social impacts and mitigating the adverse impacts on communities of proposed major new and expanded mining and petroleum developments.
- An existing framework within which all stakeholders, including State and local government, the mining industry and the community, can have input into the decision making process in relation to those major mining and petroleum developments that will affect them.

Strengthening social impact assessment is consistent with, and supports the following Queensland Government priorities:

- Building on economic success.
- Embracing growth in cities and regions.
- Fostering healthy individuals and communities.

2. The policy

2.1 POLICY SCOPE AND APPLICATION

The policy is initially focused on resource communities, where rapid development brought about by the resources boom is having significant impacts on community infrastructure and services, and the social structure of local and regional communities that support the new or expanded mining and petroleum developments.

Resource communities are those local or regional communities that depend on or are affected by mineral extraction and associated activities, including petroleum and gas proposals.

While the policy has been developed in response to continuing rapid growth in the Bowen Basin, it will also apply to the expected growth in the Surat Basin and the North West Minerals Province.

The policy will be reviewed in three years and recommendations made regarding the benefits of extending its application to other industry groups.

2.2 PROPOSED INITIATIVES

The following initiatives are based on the four key themes of the Sustainable Resource Communities Policy. To continue to build equitable and sustainable resource communities, the Government will undertake the following:

Strengthening the Government's coordination role

- Establish a social impact assessment function in Government to:
 - Provide a coordinated whole-of-government response to selected new and expanded mining and petroleum developments;
 - Assist in negotiating Social Impact Plans to be implemented as a condition of mining tenure where appropriate.
- Develop a Major Projects Housing Policy to address the availability and supply of housing to support major projects and to guide investment in the provision of housing.
- The Hon. Desley Boyle MP, Minister for Tourism, Regional Development and Industry, will provide leadership for the Bowen and Surat Basins in driving regional development.

Improved linkages between social impact assessment and regional planning

- Accelerate the preparation and/or review of strategic regional and local area plans which provide the frameworks within which the land use implications arising from resource development proposals can be addressed for individual projects.
- Build capacity and capability in land use planning at a local government level as part of the Government's local government reform initiative to improve strategic planning for the impacts of mining operations on local communities.
- Release the Coal Infrastructure Strategic Plan to ensure infrastructure provision is not an impediment to major new and expanded mining and petroleum developments.

Fostering partnerships with local government, industry and community

- Establish a Partnership Group with local government and industry to share strategic information and develop solutions to social issues.
- Establish local Leadership Groups to focus on regional planning issues and key projects that will address cumulative or regional issues arising from resource development.
- Undertake research into best practice, contemporary social sustainability assessment and solutions in the mining and petroleum industries.

An enhanced regulatory environment for social impact assessment

- Undertake legislative amendment to empower the Minister for Mines and Energy to require the development and implementation of Social Impact Plans as a condition of mining and petroleum tenures.
- Modify the trigger criteria for the preparation of an Environmental Impact Statement under the *Environmental Protection Act 1994* in consultation with industry.
- Develop guidelines which will provide guidance to proponents of major new and expanded mining and petroleum developments in the preparation of Social Impact Plans and guidance to Government in reviewing and evaluating Social Impact Plans.

Social Impact Plans will be developed as part of the social impact assessment process required under the Environmental Protection Act. The Plans will outline the forecast changes to communities in terms of local and cumulative effects, the agreed strategies for mitigating the effects and the responsibility of various parties in relation to the strategies.

In addition to the proposed initiatives above, the Government has already demonstrated its commitment to helping resource communities deal with the social impacts of the coal boom by appointing a dedicated officer, located in Emerald, to work with Bowen Basin communities, local government and industry. The officer will coordinate responses to local issues, link the communities to senior levels of the Government and provide administrative support for the Partnership Group and local Leadership Groups.

3. Strengthening the government's coordination role

Service provision and quality of life issues are key aspects of state and local government service delivery responsibilities, and the presence of appropriate social infrastructure and community support services is a contributor to sound regional growth and development. It is therefore important that the Government strengthens its own capacity to respond to service provision and quality of life issues, particularly in rapidly growing resource communities.

While social impact assessments are undertaken by individual resource companies, the Government's response is coordinated by either the Department of Infrastructure and Planning, where mining and petroleum projects are declared to be of state significance, or by the Environmental Protection Agency in all other instances.

Social impact assessment practice differs among individual mining and petroleum development proposals, resulting in a lack of uniformity in the types of recommendations and conditions placed on mining and petroleum tenure in the approvals phase, and in the monitoring of those recommendations and conditions during the operations phase.

To enhance consistency in the application of social impact assessment practice in the mining and petroleum industries, and improve the quality of individual social impact assessments, the Government will strengthen its response to social impact assessments by establishing a social impact assessment function in Government.

Establishing a social impact assessment function in Government will build the capacity of all stakeholders to effectively participate in the social impact assessment process and will promote the social sustainability of major new or expanded mining and petroleum developments by:

- Providing a coordinated whole-of-government response to selected new and expanded mining and petroleum developments.
- Assisting in negotiating Social Impact Plans to be implemented as a condition to the grant of mining tenure where appropriate.

In addition to establishing a social impact assessment function in Government, the Hon. Desley Boyle MP, Minister for Tourism, Regional Development and Industry, will take a leadership role for the Bowen and Surat Basins in driving regional development. The Minister will meet with Mayors annually to discuss emerging and ongoing issues with a view to ensuring that resource communities benefit from the mining boom.

Housing is a significant issue currently being experienced in resource communities as a result of the rapid growth in mining activity in the Bowen Basin and is expected to be a significant issue for future mining and petroleum development in the Surat Basin and the North West Minerals Province. In response to this issue, the Government will develop a Major Projects Housing Policy which will set out the Government's requirements for the provision of housing to accommodate major project workforces. The Major Projects Housing Policy will provide a framework within which housing for major new and expanded mining and petroleum development proposals can be consistently considered.

A strengthened social impact assessment process will lead to better social outcomes for affected communities.

4. Improved linkages between social impact assessment and strategic regional planning

Government acknowledges its key role in providing accurate and coordinated information about its social infrastructure and service delivery plans for regions as part of good social impact assessment practice.

The Queensland Government has placed a high priority on strategic planning by creating a new Department of Infrastructure and Planning in late 2007. The new Department aligns the infrastructure and land use planning functions of Government, leading to improved strategic land use planning which will support service delivery agencies in meeting their business requirements.

One way to more effectively consider and respond to cumulative social impacts such as housing shortages is to produce regional plans that establish a framework within which support infrastructure for future mining and petroleum development can be considered. Regional plans and local government planning schemes will promote development in areas where infrastructure and services can be effectively and efficiently provided, essentially setting boundaries within which development of this support infrastructure can occur. The State Government will continue to accelerate the preparation of and/or review of regional and local strategies covering the Bowen Basin, the Surat Basin and the North West Minerals Province.

The reform of local government by the Queensland Government in 2007 has resulted in the consolidation of local governments in the Bowen Basin from nine to two. The consolidation will reduce the fragmented response to proposals for new and expanded mining and petroleum developments and increase the capacity of local government to contribute to better planning outcomes in a regional and local government area context. The Government will continue working in partnership with local governments to build capacity and capability in land use planning and growth management at a local level.

In addition to regional plans, the Government is preparing a Coal Infrastructure Strategic Plan which will provide a medium to long term approach to the provision of infrastructure to meet the future needs of the Queensland coal industry. The Plan will include workforce forecasts based on coal productions and a scenario of population impacts including workforce impacts.

Proposals for major new and expanded mining and petroleum development which bring forward the delivery of infrastructure and services or promote development in locations not supported by regional land use plans and local area plans will involve collaboration with the State Government and community to mitigate identified social impacts.

Social research conducted by resource companies as part of a social impact assessment process provides the Government with a range of information about the cumulative social impacts on communities. This information is vital in guiding future development decisions and strategic planning for resource communities in terms of land use, service delivery and infrastructure requirements.

Therefore the outcomes from social impact assessments will be better linked to the strategic planning process through a number of existing forums – Ministerial Regional Community Forums, Regional Managers’ Coordination Networks and Regional Planning Advisory Committees – and a number of new forums to be established under this Policy, including a Partnership Group with Queensland Government, local government and industry representation and local Leadership Groups centred around resource communities.

The information gathered from social impact assessments for individual major new and expanded mining and petroleum development proposals will be a key source of information for the Planning Information Forecasting Unit (Department of Infrastructure and Planning) in the preparation of periodic strategic planning information relating to topics including population dynamics and forecasts, residential dwelling activity and workforce locations.

Enhanced linkages between social impact assessments and regional plans will:

- Strengthen the Government’s capacity to plan and budget for future infrastructure and service delivery to meet expected population shifts and the accompanying social impacts.
- Ensure local governments and communities have a clear understanding of where future mines are expected to be located and where supporting populations and workforces are expected to be located.
- Provide proponents with a framework within which to assess the social impacts of proposed major new and expanded mining and petroleum developments.

5. Partnerships with local government, industry and community

In Australia, most larger mining companies have now formally adopted policies which recognise that mines have a responsibility to mitigate negative social impacts and to contribute to the development of communities in and near where they operate.⁴ Some coal companies such as Anglo Coal, BMA, Rio Tinto and Xstrata currently contribute to mitigation strategies but these are individual arrangements and are not consistent across the various resource sectors.

⁴ Prof. David Brereton (October 2007). “Assessing and managing the socio-economic impacts of projects: a review of current mining industry practice”. Centre for Social Responsibility in Mining. The University of Queensland.

Leading mining and petroleum companies have shown an interest in partnership models to address major social issues such as community health, education and training. These partnerships are typically with local community organisations, service providers and governments.

In order to facilitate cross-sector communication and coordination about key issues and develop local solutions to local challenges the State Government will:

- Establish a high level Partnership Group with local government and industry, which will include a formalised communication structure and a work plan with a focus on issues and responses in the key areas of regional planning and coordination, housing, health and education.
- Establish local Leadership Groups comprising local government, industry, community groups and the Queensland Government to focus on regional planning issues and key projects that will address cumulative or regional issues arising from resource development.
- Work with partners to undertake research into best practice, contemporary social sustainability assessment in the Mining and Petroleum industries.

A partnership approach to addressing cumulative impacts in the regional development context of major new and expanded mining and petroleum developments will deliver a streamlined assessment, approval and implementation process, thereby avoiding delays and lowering costs by:

- Improving the quality and timeliness of information about developments and mitigation strategies for regional planning.
- Improving the effectiveness, relevance, and sustainability of development activities.
- Ensuring broad social acceptance of the proposed mining and petroleum development.

The Government, in partnership with industry and educational institutions, will undertake research into social impact assessment to produce leading edge knowledge, tools and processes in the application of social impact assessment for use by practitioners, decision makers and planners.

Existing research centres and programs will be used to provide a forum within which to undertake highly focused research and promote discussion, foster communication and strengthen the long term collaboration between industry, Government and researchers into best practice social impact assessment.

6. An enhanced regulatory environment for social impact assessment

Environmental issues, including social issues, associated with applications for the grant of mining and petroleum tenure are considered and dealt with primarily in accordance with the Environmental Protection Act and in a small number of cases, in accordance with the *State Development and Public Works Organisation Act 1971*.

The Environmental Impact Statement is an important factor in the Government's decision to either grant tenure or reject the application, and in determining the scope of any recommendations that would attach to any approvals, environmental authorities, permits and tenures for a proposed major new or expanded mining and petroleum development.

Under this system, social impact assessment is rarely used in a broader capacity to identify the actions needed to prevent the impacts occurring outside the development site or tenure footprint, such as in nearby towns or regional communities. Some social conditions have been set for significant projects under the State Development and Public Works Organisation Act such as provision of workforce housing at certain locations once workforce population levels have been reached, however the State Government has limited authority to set conditions under the Environmental Protection Act.

Legislative amendment is proposed to address this limitation by empowering the Minister for Mines and Energy to require the development and implementation of Social Impact Plans as a condition of mining and petroleum tenures. Social Impact Plans will be developed as part of the social impact process required under the Environmental Protection Act. The Plans will outline the forecast changes to communities in terms of local and cumulative effects, the agreed strategies for mitigating the effects and the responsibility of various parties in relation to the strategies. This will ensure the tenure holder is effectively involved in any process to deal with social impacts and issues. Further consultation regarding the specific details of legislative amendment will take place with key stakeholders.

In addition, some resource proposals are falling below the threshold which trigger the preparation of an Environmental Impact Statement under the Environmental Protection Act and therefore are not required to undertake a social impact assessment. The criteria used by the Environmental Protection Agency to determine whether an Environmental Impact Statement is required for a resource development application is being reviewed to ensure that proposals with significant social impacts are assessed through an Environmental Impact Statement process. These triggers are being reviewed in consultation with industry.

In order to facilitate this process, the State Government will develop guidelines for the conduct of Social Impact Plans as part of the existing social impact assessment process to assist proponents and government agencies in applying the policy. The guidelines will define the process, roles and responsibilities, and the social issues to be considered.

Outcomes from better regulations, including Social Impact Plans, will be:

- More certainty for industry regarding its obligations and responsibilities to address the social impacts of resource developments.
- Clearer allocation of responsibilities in continuing to address cumulative social impacts.
- Better information about the timing, location and intensity of workforce locations through Social Impact Plans.
- Sharing the burden of addressing social impacts among proponents so that some of the smaller companies are also required to address social impacts, not just the largest enterprises as is currently the case.
- Strengthen the capacity of governments to plan and budget for future infrastructure and service delivery to meet expected population shifts and the accompanying social impacts.

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