MSIA Reading Series No. 3 on "Current Principles & Practices of Social Impact Assessment (SIA): New Zealand's Perspective"

Panel Speaker:
Louise Strogen
Moderator:
Dr. G. Balamurugan
27 April 2021 @ 2.30pm

Edited By
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Malaysian Association of Social Impact Assessment
Registration No: 0425-05-7

1. Introduction

The motivation for the Hard Talk discussion revolves around:

i. the current principles and practices of Social Impact Assessment (SIA) from the New Zealand's perspective;
ii. exchanging of experiences and aspirations related to SIA between New Zealand and Malaysia.

2. Presentation on Current Principles & Practices of Social Impact Assessment (SIA): New Zealand's Perspective

Louise Strogen (Aurecon) presented New Zealand's (NZ) perspective on the current principles & practices of Social Impact Assessment (SIA) (See Appendix 1). She notified that SIA has been used mainly as a tool in the development project. It is part of the environmental assessment package and widely used in the new development project's regulatory decision-making. Unlike in Malaysia and Australia, there is no requirement to conduct an Environmental Impact Assessment (EIA) in NZ. However, an assessment of the environmental impact, a more discreet document, is needed and part of the planning process. The requirement to carry out a SIA is inconsistent across the jurisdiction and organisations.

The Resource Management Act (RMA) defines the environment as including amenity values and social effects, and in Schedule 4 (Clause 7 (1)) the impacts on neighbourhoods and communities have to be considered when preparing an assessment of environmental effects. SIA is very underused in NZ and is more associated with large infrastructure projects and projects associated with new correction facilities rather than being applied to urban expansion, new factory, new dam, and other projects that may affect social aspects (individuals and communities surrounding the project).

The principles and core values of social impact assessment applied in NZ are based on Dr Vanclay's works and the International Association of Impact Assessment. These principles have been used for the last 16 to 17 years which include items as follows:

i. Attitudes, expectations and aspirations;
ii. Way of life;
iii. Community;
iv. Culture;
v. Environment and amenity;
vi. Health and wellbeing; and
vii. Political systems.

The process of SIA applied in NZ:

i. Scoping;
ii. Baseline analysis;
iii. Impact assessment;
iv. Impact mitigation and benefit enhancement;
v. SIA report including Social Impact Management Plan (SIMP);
vi. SIMP implementation; and
vii. Review and update & monitoring.

Currently, the only organisation in NZ with SIA guidance and a stepped process is Waka Kotahi NZ Transport Agency. Their guidance in assessing social impact is as follows;

i. Environmental and Social Responsibility Standard (Z19);
ii. Environmental and Social Responsibility Screen; and
iii. Guide to assessing Social Impacts for State Highway Projects (2015).

3. Exchanging of experiences and aspirations related to SIA between New Zealand and Malaysia.

The Hard Talk moderator, panellist and participants have discussed and elaborated on the following matters:

i. The moderator stated that both countries have the same mess - SIA does not get the recognition it deserves. The moderator asked if the same situation is happening in Australia too. The panellist responded that the situation in Australia is different as it has legislation that requires SIA to be considered. Most of the states in Australia have SIA guidance, and SIA is part of their environmental impact requirement (the power of regulation).
ii. The moderator raised concerns that SIA is a tool but emphasise given only on the report but not the sound effects it is supposed to create. The panellist responded that this is what happens on the ground as there is no monitoring and reviewing by the responsible agencies when the project starts. In addition, no validation and feedback were obtained from the communities about the ongoing project.
iii. Dr Gobi Krishna inquired about the qualification to conduct SIA in NZ. The panellist responded that there is no qualification needed in NZ but in New South Wales, Australia, a track record of implementing SIA report is needed.
iv. Mr Jamil Ahmad stated that the awareness to have SIA is already there and can be seen through the legislation – Act 172 has been amended to include SIA. The moderator stated that a manual had been developed and revised in West Malaysia.
v. Dr Shahwahid asked if the qualitative assessment is accepted in NZ. The moderator responded that there is a mix of responses. Qualitative assessment is required when dealing with emotional responses.
vi. Dr Shahwahid asked if the panelist had experiences regarding the compensation to the individual/communities. The panellist has no direct experience concerning this.
vii. Puan Sri Jahara inquired about the submission and approval process of the SIA report in NZ. The panellist responded that the system in NZ is dissimilar from Malaysia. When the organisation applies for a permit for development, an environmental effect assessment needs to be produced. If the project has to produce a social impact assessment, that will be appended to the application package. The application will be submitted to the responsible authorities. The authorities' planning officer will process the application and make recommendations to the project. Part of the recommendations process will go to a hearing usually chaired by the councillors. If the councillors need technical advice, they will get the expert panel to consider the application. There is an opportunity to appeal in the environment court if there is a disagreement on the result of the application.
viii. Mr Jamil Ahmad asked if cultural impact assessment is required in NZ and how many SIA practitioners are there. The panellist responded that there are about 30 to 40 SIA

practitioners. In NZ, there is a requirement for the cultural impact assessment associated to projects that have an impact on culture, e.g. Maori culture.

ix. Mr Noor Agus inquired when is the best time to start preparing SIA and why. The panellist suggested that SIA be conducted before submitting the project proposal.

x. The panellist requested more information on what prompted the SIA manual in Malaysia to be drafted and was all the stakeholders been involved in the process. The moderator responded that it happened because the legislation required that SIA need to be done. Hence, the manual was produced. In constructing the manual, many stakeholders were involved and consulted, namely the government authorities (most government departments and ministries), practitioners, developers and private entities, NGOs, and academia. However, there is no engagement with the communities. Nevertheless, most of the projects have involved consultation with local communities during the project.

xi. The panellist asked if the developers in Malaysia are supportive of SIA implementation. The moderator shared that there is a mixed response by the developers. Some are embracing it quite well, while large majorities are not.

xii. Dr Guna Krishna asked about the current situation for NZ in terms of monitoring or evaluating the impact and who is in charge of reviewing and auditing the impact. The panellist responded that level of monitoring is relatively light in NZ, and more attention needs to be given to this aspect.

xiii. Dr Lee Hwok Lok asked the strength level of NZ planning on social consideration at the planning stage and the corrective measure to prevent the coming impact. The panellist explained that the emphasis is always on the environmental impacts, and some technical assessment of noise is regarded as social impact, especially to the individuals. However, other matters such as community sense of place, social cohesion, and others have been neglected and these matters need to be strengthened as they are part of the balance.

4. Conclusion

The moderator, panellist and participants shared the same aspiration that things will get better for SIA in both countries. However, there is some frustration that the social issues are taken lightly.

Appendix 1

Plotted history

- 1970s = University-based thesis (Masters work)
- 1980s = Published work commissioned by Government entities

  e.g. Ministry of Energy, Ministry of Works

  - impacts of construction
  - reason/ justification for a certain community perspective
  - support funding

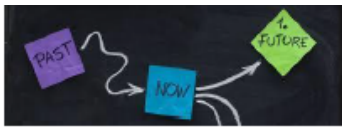
  Suit of work documenting the impact of economic change in a number of rural communities
- 1986 - 2013 = Social Impact Unit established within the State Services Commission; use of regional committees
- 1990s = Call for government to undertake social assessment as a regular part of policy analysis
- 1991 = Resource Management Act

2

Current application…

- Tool for development projects
  - Business case (environmental assessment)
  - Funding / Investment assessment
  - Regulatory decision making
- Tool for plans and programmes
  - Inconsistency – jurisdiction / organisations

3

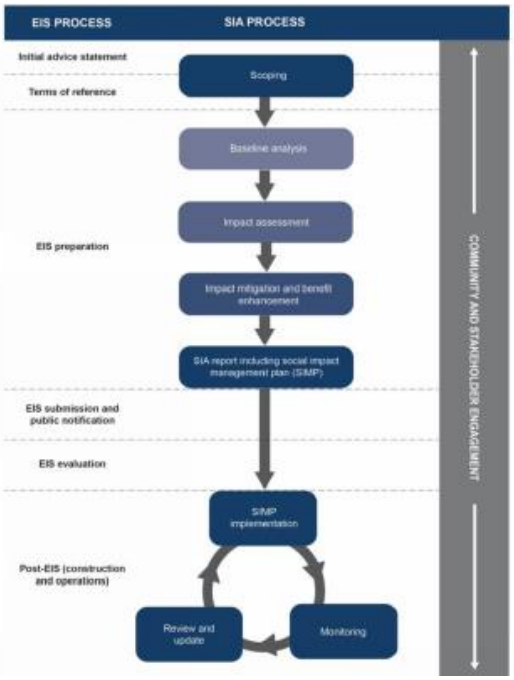


- RMA defines environment as including amenity values and **social effects**
- Section 5 - RMA purpose and principles:

  '…to promote sustainable management by managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their ***social,*** *economic, and cultural wellbeing.'*

- Schedule 4, clause 7(1) requires the **effects on neighbourhoods and communities to be considered** when preparing an assessment of environmental effects.

Social impacts are changes to one or more of the following:	
Attitudes, Expectations and Aspirations	Their perceptions about their safety, their fears about the future of their community, and their aspirations for their future and the future of their children.
Way of life	How they live, work, play and interact with one another on a day-to-day basis.
Community	Its cohesion, stability, character, services and facilities.
Culture	Shared beliefs, customs, values and language or dialect.
Environment & Amenity	The quality of the air and water people use; the availability and quality of the food they eat; the level of hazard or risk, dust and noise they are exposed to; the adequacy of sanitation, their physical safety, and their access to and control over resources.
Health and wellbeing	Health is a state of complete physical, mental, social and spiritual wellbeing and not merely the absence of disease or infirmity.
Political systems	The extent to which people are able to participate in decisions that affect their lives, the level of democratisation that is taking place, and the resources provided for this purpose.



Waka Kotahi NZ Transport Agency – currently only organisation with SIA Guidance and a stepped process

- Environmental and Social Responsibility Standard (Z19)
- Environmental and Social Responsibility Screen
- Guide to assessing Social Impacts for State Highway Projects, 2015

Emerging and Future applications…

- Equity in Design
- Broader Social Outcomes
- Social Credential for Business
- Product Design and Placement

Acknowledgement

The contributions and deliberations of the panelist and participants during the Hard Talk session are very much appreciated.

Disclaimer

The opinions expressed in this MSIA Reading Series are those of the panelist and participants. They do not purport to reflect the opinions or views of MSIA and the editors.