THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

CREATE CHANGE

The structural and commercial conditions that shape social impact assessment in the global mining industry

Contents

Figures

About this report

This report is the final deliverable of the research project titled 'The commercial reality of producing social impact assessments (SIAs): how business considerations affect SIA effectiveness'. The study was carried out by the Centre for Social Responsibility in Mining (CSRM) in 2022 and 2023. Funding for this research was provided under the terms of the research partnership between The University of Queensland and Rio Tinto.

Study team

Chief Investigator: Dr Anthony Kung, Senior Research Fellow
Lead Investigator: A/Prof Nick Bainton, Principal Research Fellow

Acknowledgements

Suggested citation

Bainton, N. & A. Kung. 2023. *The structural and commercial conditions that shape social impact assessment in the global mining industry*. Centre for Social Responsibility in Mining, The University of Queensland.

1. Introduction

This study examines the practice of social impact assessment (SIA) in the global mining industry.

We begin with the observation that SIA is undertaken within a specific set of commercial and structural (organisational and institutional) conditions: it is typically commissioned by mining companies and conducted by consultants. Whether the SIA is commissioned and managed by corporate 'study teams' or site level 'social performance teams', it is primarily a function of social performance management (broadly defined). Our aim is to understand how these and other 'structural-commercial conditions' shape SIA practices and outcomes and where changes are needed.

This study responds to a persistent concern within parts of the mining industry, and among SIA practitioners, regulators and academics, that SIA is not achieving its intended purpose: that SIAs 'fail to make an impact'.[1] In doing so, we have surfaced honest, insider perspectives on the compromises and perverse incentives found in the dominant company-commissioned consultant-led mode of practice that shape SIA outcomes. We have identified how the potential of SIA is constrained by a structural conflict of interest in the relationship between mining companies and consulting firms, whereby a form of applied research that is ostensibly a 'public good' is undertaken primarily for private gain.

Mining companies and consultants exist in a co-dependent relationship marked by significant power asymmetries that influence what types of impacts are identified and which ones are formally recognised and acted upon. Consultants rely upon mining companies for work and income, and mining companies depend upon consultants because they have not built up the internal capability to conduct SIAs. Social performance managers or study teams may argue that they need to use consultants to ensure that SIAs have a degree of 'independence', but a lack of internal technical capability remains an issue and this has a huge influence on the production and use of SIAs. Ultimately, limited social performance capability drives a feedback loop that perpetuates poor quality SIA practices and limits uptake and use.

The recent scandals surrounding the global consulting firm PWC highlight this issue. In this case, the Australian Government has outsourced critical capability to consulting firms to such an extent that it has been accused of creating a 'shadow' public service that has 'captured' the government. Renowned journalist Judith Brett remarks:

> While external advice to government can be useful, the downsides of the practice are many as the public service loses and fails to replenish skill and institutional memory.[2]

Her observations about government integrity and overreliance on consultancies also hold for the mining industry. When companies fail to develop internal social performance capability this results in a lack of institutional memory on complex social issues around their assets which in turn compounds harm to communities. The objective of consulting firms (large and small) is to make a profit. They are, after all, businesses. Individual SIA consultants might be motivated by a desire to use their technical skills to do good, but they operate within a set of structural-commercial constraints that can compromise their ability to achieve these ends. This means that consultants and the firms they work for are not simply disinterested technocrats contributing to the public good, but part of a wider system of resource governance that upholds the power of the mining industry.

Overall, the findings of this research confirm that if the mining industry wants to realise greater potential in SIA, then it should not outsource its core responsibilities and must invest in building social performance capability, especially in technical fields that support impact assessment processes and data-driven decision-making.

---

[1] Nick Bainton and John Burton. (2021). Why Social Impact Assessments Often Fail to Make an Impact – and What to Do about it. *AusIMM Bulletin*. Accessed at: https://www.ausimm.com/bulletin/bulletin-articles/why-social-impact-assessments-often-fail-to-make-an-impact--and-what-to-do-about-it/

[2] Judith Brett. (2023). A question of character: PWC and how a culture of outsourcing created a shadow public service and captured government. *The Monthly*, August 2017: 16-23.

This does not mean bringing all SIA processes 'in-house' (as there is always a role for specialist advisors) but developing technical competence across the range social performance domains (including but not limited to SIA). Minimally, this means developing capability in applied social science; study design and management; and capability to translate, apply and integrate SIA outcomes into operational decision-making processes. Without in-house technical capability, it will not be possible to reduce reliance on consultants or maximise their inputs.
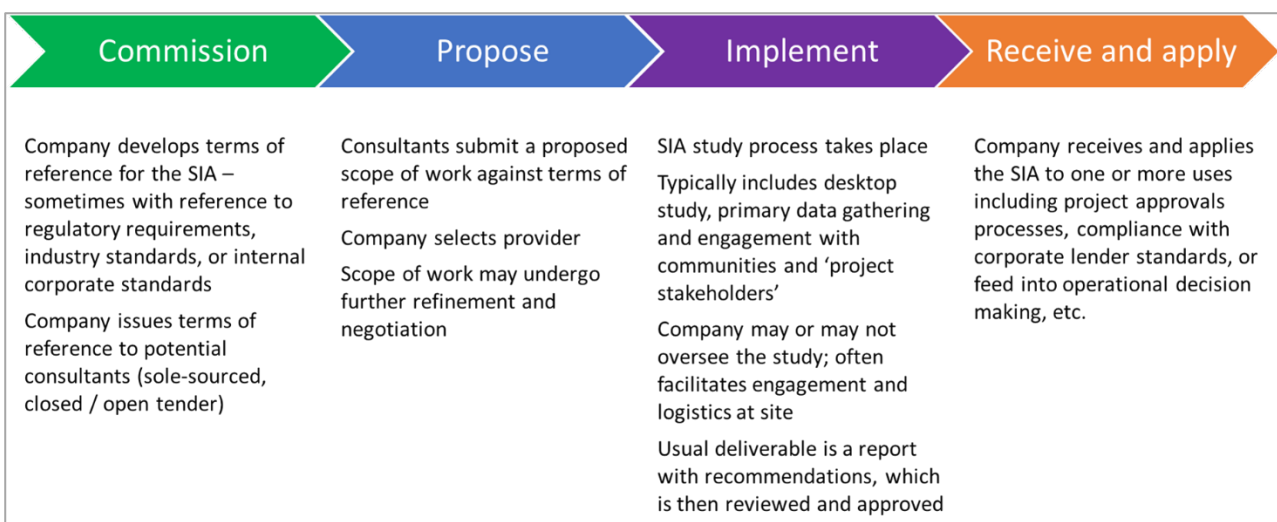
The remainder of this introductory section sets out the aims and methods of this study. Section 2 situates SIA in the mining social performance context and characterises the features of 'good quality' SIA in mining. Section 3 provides a synthesis of major themes and findings, and Section 4 presents key opportunities for change.

1.1   Aims and scope of this study

This study seeks to document the realities of SIA in the mining sector. It focuses on company-commissioned and consultant-led SIA, which has been the dominant mode of practice for the past 50 years. In this mode, SIA sits within the broader domain of social performance management. It is done under a commercial professional services contract between a mining company and a consultant (or group of consultants). These structural-commercial arrangements set the conditions within which SIA is conducted and applied. Our aim is to understand the effects of these conditions, and to identify opportunities for change. Therefore, the central question is: **How do these structural-commercial conditions influence the practices and outcomes of social impact assessment in the mining industry?**

Within these structural-commercial conditions, SIA occurs as a process or a set of activities that begins with scoping and commissioning, to implementation, analysis and reporting, and finally receipt and application by the commissioning company. Figure 1 illustrates this general process (noting, of course, in practice there is some variation to this process). We have used this process to structure the research and present the findings, examining structural-commercial conditions across each phase of the process (see Section 3 below). For each phase, key insights are summarised in an inset box, followed by more detailed discussion on primary themes.

Figure 1 The SIA process in mining

The focus of this study is SIA in the mining sector globally, but we also draw insights from the oil and gas sectors. SIA in this context is not restricted to those commissioned at the approvals stage – SIAs at all stages of mine lifecycle are within the scope of the study.

We acknowledge that SIAs and other types of studies on mining impacts are conducted under other arrangements, such as community-controlled SIAs, NGO assessments, and independent studies. These are important contributions to knowledge on the impacts of extraction but fall outside the scope of this study because we are primarily interested in understanding the dominant mode of practice.

1.2 Research design

To address the central question, this research was carried out in three phases:

- Desktop review of literature & publicly available SIA reports

- Interviews with social performance practitioners in the extractive industries (mining, and oil and gas), and SIA practitioners

- Focus group workshop with SIA practitioners (at the International Association for Impact Assessment annual conference)

See **Appendix 1 Research Design** for more details on the study design and methods.

2. Situating SIA in mining

Modern-day SIA can be traced to the US Environment Protection Act 1969, which required project proponents (mining or otherwise) to assess environmental impacts as a prerequisite to regulatory approval. SIA was effectively an adjunct to environmental approvals. It has since become a standalone discipline and professional practice.

SIA is typically described as a 'field of research', a 'practice' and a 'process' for 'analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions', like resource extraction projects, and any 'social change processes invoked by those interventions'.[3] This broad conception of SIA is accompanied by ambitious statements of what SIA is intended to achieve. For example, SIA is supposed to 'achieve better development outcomes for communities', to support better design of projects and policies, and to support regulatory decision-making.[4]

SIA remains the most well-established practice for identifying, understanding, and managing and mitigating the risks of mining to local communities. SIAs have long been required by regulators (and some investors) as part of mining approvals and many mining companies have adopted internal standards that require SIAs to be conducted regularly during operations, prior to any proposed project expansions or modifications, and in the lead-up to closure.

However, there are many documented cases where impact assessments in mining are rushed, ill-prepared, inefficient, fail to meaningfully include the voices of those who are most affected by a project, and disconnected from operational decision-making processes.[5] Outside the published literature, we have found abundant anecdotal evidence that SIAs (in mining) do not achieve their idealised outcomes, and that SIAs are continually compromised in practice. These concerns around the 'quality of SIA' are a recurrent theme at conferences held by the International Association for Impact Assessment (IAIA).

---

[3] International Association for Impact Assessment, Definition of Social Impact Assessment: https://www.iaia.org/wiki-details.php?ID=23

[4] Esteves, A. M., Franks, D., & Vanclay, F. (2012). Social impact assessment: the state of the art. *Impact Assessment and Project Appraisal*, *30*(1), 34-42.

[5] See for example:

Roche, C., Brueckner, M., Walim, N., Sindana, H., & John, E. (2021). Understanding why impact assessment fails: a case study of theory and practice from Wafi-Golpu, Papua New Guinea. *Environmental Impact Assessment Review*, *89*, 106582.

Munday, J (2020). 'Objective Truths or Subjective Realities: A Model of Social and Cultural Impact Assessment to Deliver Socially, Culturally, Ecologically and Economically Sustainable Development of Northern Australia'. Charles Darwin University.

All of this points to diverging narratives about SIA: an expansive and positive conception of what SIA could be, versus a sceptical realism as to what it is currently. This ideal-reality gap is a problem for the mining industry because SIA is arguably the most well-established and widely practiced form of social science within the sector for identifying and minimising harm to communities.

A literature review for this study has revealed that the majority of research on SIA has focussed on improving methodologies and integrating SIA with emerging modes of practice, like human rights and gender impact assessments (see **Appendix 2 Desktop Review**). This work has resulted in significant achievements and advancements in SIA theory and practice, including within the mining industry. However, there has been very little attention on the *context* within which SIA occurs.

Perhaps it is because the structural-commercial context for SIA in mining is so ubiquitous that critical reflection and scholarship on SIA has failed to notice or ask how it shapes SIA practices and outcomes. In our view, this is a major gap in our knowledge of SIA. We think this fundamental feature of SIA needs greater attention to improve social performance and realise the potential of SIA in mining.

2.1 Social performance and SIA

The use of SIA in mining has evolved along with the development of social performance as a business function and a normative concept. In this section we briefly describe the characteristics of good quality SIA within the domain of social performance. We draw from the foundational literature outlining what a robust social performance function should entail.[6]

Note: we set out these characteristics not as a prescriptive statement on what good quality SIA should be, but to situate critiques and research findings on SIA within established ideas about what good should look like within the context of the mining industry. See **Appendix 2 Desktop Review** for a discussion of social performance and how it supports SIA (and vice versa).

Accordingly, the characteristics for good quality SIA can be summarised under the following four headings.

- **Data-driven**
    - o The design, and methods for data collection and analysis should be grounded in sound social science and inquiry based. Data should be triangulated by multiple methods, to ensure accuracy and completeness.
    - o The information and data collected should be accurate, comprehensive and up-to-date. From this perspective, knowledge gaps create blind spots that contribute to poor social performance.
    - o The data should be contextually meaningful. It needs to account for (or even adopt) the paradigms of impacted communities and persons (i.e. how they experience and interpret changes brought about by mining development).
    - o It should also be transparent about its limitations. Where data gaps exist, this should be acknowledged (and could be the basis for further investigations to ensure more informed decision making).

[6] Kemp, D. and J.R. Owen (2019). Establishing the foundations for effective social performance in the global mining industry. Centre for Social Responsibility in Mining, Sustainable Minerals Institute, The University of Queensland: Brisbane.

Kemp, D. and J.R. Owen (2018). Social performance gaps in the global mining industry: A position paper for executives. Centre for Social Responsibility in Mining, Sustainable Minerals Institute, The University of Queensland: Brisbane.

- **Operationally useful**
  - The SIA design and resourcing should be commensurate with the complexity of the social environment in which the operation exists, and the issues and risks that arise in this context.
  - SIA findings and recommendations should support operational decision-making. If the SIA is not used to inform business decisions, then it only serves a very narrow purpose.
  - The data collected as part of the SIA should be accessible and used by the company and other key affected parties (with appropriate ethical controls in place to manage sensitive data).

- **Integrated**
  - The SIA should be integrated with other studies, and/or past SIAs for the same project (so that each SIA critically engages with the last).
  - The SIA should be integrated across social performance activities, such that it informs and is informed by risks assessments, consultation and engagement logs, grievance registers, community development plans etc.
  - It should also be integrated across functions, such that it identifies social impacts and opportunities for remediation that relate to other functional domains (like security, contracting, or environmental management etc.).
  - The assumptions underpinning successful implementation of recommendations should be identified, and recommendations developed in collaboration with teams and stakeholders responsible for implementation, and then pressure tested.

- **Ethical/Respectful**
  - The SIA should serve to empower affected communities and be guided by relevant frameworks for ethical research and data collection.
  - Community participation in the study process should be maximised and meaningful (free, informed, respectful).
  - There should be transparency around what is reported and not reported, and the basis for these decisions.

3. Structural-commercial influences across the SIA process

SIAs may be conducted at any point in the mining lifecycle and may be triggered by a range of different drivers. Regardless of the driver, an archetypical SIA follows a four-phase Commission-Propose-Implement-Receive and Apply process (see Figure 1). In this section we consider the structural-commercial factors that influence SIA practices and outcomes across each phase of the SIA process.

3.1   Commissioning phase

In the commissioning phase, a mining company issues terms of reference for the SIA, which specify the work to be done, the outcomes achieved, and the deliverables expected. The terms of reference are also variously called a scope of work, specifications, or a request for tenders, proposals, or quotes. A company's request for proposals may be issued to the market at large (sometimes called an open tender), or to a selected group of prospective consultants (closed / invitational tender). An

SIA may also be sole-sourced, whereby a company invites one consultant to undertake the work. In these cases, the scope of work may be co-developed between the company and consultants.

Ultimately, the terms of reference for an SIA set the conditions for all activities across the SIA process.

The following key factors have a material influence on the commissioning process:

- **The purpose for the SIA**: is it being done to meet regulatory requirements, fulfill corporate standards, or is it inquiry based (i.e. driven by the need to answer specific questions about specific issues)?

- **Technical capability within the commissioning team**: do the people writing the ToR have sufficient technical capability in social performance and SIA to ensure the ToR is commensurate with the socio-political context in which the SIA is to be conducted, adequately resourced, and geared towards meaningful application?

- **Scoping has direct influence on eventual application of findings**: if the SIA is not scoped from the very outset with end use in mind, then it is less likely to be designed and implemented in ways that ensure meaningful application of results and recommendations and integration into operational decision-making processes.

The terms of reference that initiate (and structure) an SIA arise from mining company decisions. A primary influencing factor is, therefore, the motivation for commissioning an SIA. Where SIAs are commissioned primarily for regulatory approvals, it has generally been observed that the terms of reference are generic.

SIAs for regulatory requirements are described by interviewees as 'tick-box', 'checklist' and 'compliance-focused'. They are also called 'schedule-driven' where 'the output drives the work, not the outcome.' That is, the production of the final SIA document is the main objective, not the knowledge contained within it. The attitude was summarised as 'you get your licence, and you put the SIA on the top shelf'. This view also extends to ideas about the 'baseline' level of 'quality' that companies seek in commissioning an SIA. As one senior manager put it, 'If the SIA does not meet regulatory approval, then what is the point of doing it?'

In large companies, the internal business structure may strongly influence how the SIA is scoped. For example, a social performance manager in a major company explained how the approvals team would commission an initial SIA for regulatory purposes. Once approved, responsibility for social performance would pass to the site operations team. In this case, it meant that:

> …we do not design the SIA that we will ultimately use. A lot of knowledge is lost in the transition between teams – the approvals team takes their files with them when they leave.

When asked why the business was structured in this way, this manager thought that it was less to do with commercially efficient structures, and more about a particular mode of problem-solving: 'big business manages liability by hiring someone to set up a team, and these teams are not necessarily well integrated'. As we discuss in the following sections, this has important implications for how the SIA is used (as the site team are often less 'connected' to an SIA that they have 'inherited').

Others noted that SIAs are sometimes commissioned to better understand the company's social impacts. These SIAs are less susceptible to the abovementioned shortcomings of permit-driven SIA because they are driven by a need to gather knowledge and address a set of specific issues. This tends to translate into greater buy-in to the process and the outcomes, and result in better application of the results.

Decisions around the purpose of the SIA are highly influenced by the level of technical SIA capability within the company. Therefore, who prepares the terms of reference matters a great deal. Overall, we have found that when SIAs are commissioned at the asset level (not by corporate study teams), they are often scoped by a site-based social performance officer, below manager level who (a) has highly constrained capacity because they are busy 'putting out fires', (b) limited disciplinary background in relevant social sciences, and (c) little experience conducting or overseeing SIAs or comparable studies. Other influential factors beyond technical proficiency include the ability to influence internally. Highly skilled social performance practitioners can advocate for social performance and persuade company leaders to invest in SIA. This can mean that even where there is low technical SIA capability or social science proficiency, resources can be secured to invest in capability to help inform the development of the terms of reference.

Smaller mining companies are likely to have much lower social performance capability and are often 'compliance driven'. We were provided with an illustrative example of a large project being developed in a complex jurisdiction in southeast Asia, whose on-site social performance manager was an environmental scientist with no social performance experience. This led to a 'cookie-cutter approach', where that person's approach to North American environmental science was applied (ineffectively) to social performance in southeast Asia. This experience was echoed by another high-level manager at a major company, who recounted undertaking due diligence of a small company ahead of a corporate acquisition. That company outsourced its social performance function to 'the absolute cheapest consultant'. The company did not have an in-house social performance function, and the outcome was an SIA of unusably poor quality.

In the worst cases, the terms of reference for an SIA are simply lifted from previous studies or based on modified wording from guidance documents (e.g. IFC, ICMM, IAIA templates). 'Copy-and-paste', 'template', 'cookie-cutter' and 'boilerplate' terms of reference appear to be commonplace. Generic terms of reference are problematic because they are likely to lead to a correspondingly generic study design and generic findings. This makes the SIA less useful for supporting operational decisions and managing impacts. By contrast, an SIA scoped to answer specific questions will probably yield better information. The point was illustrated by a senior manager at a major mining company, with both on-site and corporate experience:

> To produce the best SIA, you need understand exactly what you need from an SIA. Sometimes, though, you know there's a gap in your understanding of social impacts, but you don't know what the gap is – so you simply say, "I'll do an SIA".

This comment links the problem of generically scoped SIAs with issues of capacity and capability outlined above. That is, a generic SIA results in part because the practitioner is unable to articulate the specific questions that they want the SIA to address.

A further determining factor is the budget. Often the budget drives the terms of reference rather the other way around (and thus heavily influences the SIA design and implementation from the outset). The budget might be based on the amount spent for a comparable study in previous years (or at another site), funding 'rolled over' from the previous financial year, or what is left in the coffers that must be spent before it is 'lost'. In many cases, it is simply constrained by annual budget cycles at the asset level. In more profitable years, there may be a greater amount available, and in leaner years it will be much harder to justify funds for an SIA (reflecting the value placed on SIA within the business). One experienced SIA practitioner and company manager quipped that sometimes it was just a 'thumb suck'. On average, it seems that budget allocations are not built on a detailed understanding of what the SIA needs to achieve, or commensurate with the complexity of the study context.

Under site-level arrangements, the scope and budget for an SIA usually need to be approved by the general manager. The general manager's appreciation of the value of SIA therefore has a strong

bearing on the budget, and ultimately the scope and activities that follow. General managers who prioritise production are less likely to support a robust SIA process (beginning with a suitable budget for the task). By contrast, general managers that have 'felt the pain' and experienced first-hand difficult social performance challenges are more likely to invest in SIA, and even be more personally involved in the scoping and findings because they can see the link between data and better problem solving (and risk management). However, this points to a systemic problem: if general managers must personally 'feel the pain' before wholeheartedly investing in social performance, especially SIA, then harm to communities becomes a precondition to improvement. This dilemma highlights the need to invest in social performance capability beyond the social performance function – to embed appropriate capability throughout the managerial and executive levels across disciplinary functions.

3.2   Proposal phase

Once a company has issued terms of reference, prospective SIA consultants are invited to submit proposals (also termed bids, quotes, tenders) which outline the work to be done (sometimes called the 'scope of work') and the associated costs. Proposals specify the work they are willing to commit to, the expected timeframes, and the fees to be charged. The contractor's experience and qualifications may also be listed, as well as other contractual terms to be included in a final agreement if selected. The commissioning company then choose from the proposals submitted based on selection criteria. At this point the scope of work may be further refined, and contractual conditions negotiated.

The proposal is critical to the SIA process, because it effectively amounts to a contractual promise by the consultant to carry out the SIA as specified. Even if there is leeway to vary the contract, **the proposal stage is where the broad SIA design is articulated and committed to.**

The following key factors have a material influence on the proposal phase:

- **SIA capability (who prepares the proposal):** is the proposal being prepared by senior SIA experts, junior consultants, or farmed out to consultants with other disciplinary backgrounds, like engineering or environmental science for example?

- **Effort expended on the proposal:** effort is determined by the perceived likelihood of being selected, expected monetary value of the contract, financial position of the consultancy (i.e. 'how desperate you are for work'), and capacity to prepare the proposal before the deadline. These factors influence the proposed design, which has flow-on effects for implementation and application.

- **Pricing determinants:** the dominant model is fee-for-time. As a result, SIA designs are often driven less by consideration of substantive rigour, and more by the need to win the contract against competitors and turn a profit.

- **Selection criteria:** visibility over selection criteria can influence proposal design, and once a contractor is selected, influence the legitimacy of the SIA process (i.e. who was selected and on what basis).

There is wide variety in consulting models, which has a direct bearing on proposal development. We have primarily focussed on 'large consulting houses' that offer a suite of services (including engineering and scientific services). Insights have also been drawn from other models. These include, for example, the so-called 'big four' firms (PWC, KPMG, Deloitte, and EY) that are increasingly competing for SIA contracts, smaller 'boutique' consultancies, sole-traders, researchers based at universities, 'think tanks', civil society organisations, local community groups, and arrangements where multiple consultancies conjoin to produce an SIA. Variability in potential SIA arrangements is important to bear in mind, as different arrangements have differing structural-commercial dynamics.

Irrespective of the arrangement, the critical factor is who prepares the proposal. When it comes to large consulting firms, the most experienced SIA practitioners are rarely tasked with designing the SIA and preparing the proposal. This work is usually done by an intermediate-level SIA consultant (with perhaps around 5 years' professional experience). Because proposal-writing is an internal cost to the consultancy there is an incentive to deploy more junior consultants do this work. While they might be supervised by a senior consultant (sometimes known as a 'principal consultant') who approves the proposal, their relative inexperience often exacerbates some of the dynamics we have pointed to above. For instance, they might be given previous proposals as a template, which opens the door to copy-paste proposals. Reflecting on their early career, one consultant said, 'I was told that the previous proposal, which had been signed off by the principal, was "approved text", so I mostly just copied that. I didn't know what I was doing!'

Where SIAs are combined with environmental studies, the SIA part of the proposal might not even be written by the SIA team. Sometimes the SIA component is just 'an afterthought', written by 'whoever was available' within the firm (often an environmental scientist) and simply tacked on to the EIA.

In addition to SIA capability, the amount of effort invested in the proposal directly influences quality. There is a general view that proposals are often hastily prepared. This is sometimes because mining companies issue requests for proposals with short deadlines, where 'you're lucky to get a couple of weeks'. In some firms, proposals are 'a lot of control-V, control-C', referring to keyboard commands for copying and pasting text:

> Ctrl-C and Ctrl-V are catchphrases here – just put in the latest buzzwords for the proposal.

Since proposal writing is a 'speculative investment', proposals are commonly prepared with minimal effort and just 'thrown in'. High value contracts may warrant greater effort, but it also depends on the likelihood of winning the contract. For example, a sole-sourced contract has a very high likelihood of being selected. This may encourage greater effort, because the costs of writing the proposal would shortly be recouped once the SIA commences. Alternatively, being sole-sourced may discourage effort during the proposal stage – since there is no competition to win the work, design effort can be deferred to the billable stages of the SIA. Effort may also be influenced by other 'arbitrary but important' factors, like 'how busy you are at the time' of the proposal, and whether the consultancy 'had other work in the pipeline' (i.e. whether there are other prospective projects such that the consultancy's revenue stream is not heavily reliant on winning a particular contract).

Since consultancies need to make a profit, the most common consultancy price structure is fee-for-time. In this arrangement, total fees for any given proposal are the sum of each team member's hourly or daily rate, multiplied by their hours or days estimated for the SIA. Typically, the more senior the individual, the higher their rate. The numerical value of the rate is usually set to cover consultancy costs (salary plus a share of overhead costs) and to yield a profit margin. Within a consultancy, individual consultants submit timesheets to account for their total hours at work. Time spent on a project is then charged to clients (variously called 'billable hours' or 'utilisation'). This arrangement creates pressure to maximise 'billable hours', since billable hours are converted into profit, whereas non-billable hours are a cost to the business.

To increase billable hours, consultants have to first of all match client expectations. Most consultants work with the assumption that clients have set aside a budget range for the SIA, which then tends to dictate the design. As one consultant put it, 'If the client won't tell me, I try to guess what it will take to win the contract. Then I design the SIA to match that price.' At the same time, consultancies compete with other firms on price. In some places pricing has become a 'race to the bottom', where companies choose the lowest bidder (with an inevitable impact on quality). To be competitive, firms need to calculate the best ratio of senior consultants to intermediates and juniors within the team. In practice this often means maximising junior consultant time, keeping senior consultants (who might be spread across '15 different projects at once') to high level oversight roles. It can also mean allocating under-

utilised staff across the firm, regardless of their disciplinary expertise. The trade-off between expertise and business solvency can be significant. In one case, a consultant was asked by their 'chronically busy' manager to propose a team that included any non-SIA practitioners that were available at the time – essentially, the expectation was to 'reach for the nearest available environmental consultant'. Price setting may also be influenced by incumbent consultants. Mining companies sometimes have their 'go to' firms that they use for a variety of services, and these firms are strongly placed to influence the price for other activities (like SIAs). In other instances, mining companies simply look to their existing consultants 'and they benchmark what the consultant has charged before.'

These pricing dynamics filter down into individual decision-making, which affects SIA design in other less obvious ways. One consultant, for example, described how the pressure to meet utilisation targets meant that they couldn't advocate for better SIA practice within the consultancy:

> I wanted to argue for better approaches to SIA, but I remember finally receiving an email from the Big Boss (who was not an SIA practitioner), which said, "Just do your job". It was very confronting for me. I didn't take it further because I didn't have the time or energy. … Consulting is a 24/7 stress. I needed to make sure I hit my billable targets. [My partner, children and I are immigrants], and if I lose this job, we might have to leave this country. So, I didn't make a fuss.

This case illustrates the sorts of structural-commercial constraints that can discourage individual consultants from instituting improvements, further curtailing the potential of SIA.

When it comes to awarding a contract for services, mid-tier and major companies often use selection criteria to guide decisions. This may include factors like expertise, track record, technical features, and the financial merits of the proposal. It can also include less-tangible factors like reputation. This has two sides. Proposals from 'big name' consulting firms may have a stronger chance of being selected because their 'brand' generates confidence in their ability to deliver. However, 'brand power' may obfuscate a lack of SIA expertise (especially when the brand has been built on the provision of other services). It often plays a greater role when companies lack the internal capability to discern a quality SIA proposal. On the other hand, some highly experienced SIA practitioners have found themselves 'blacklisted' by mining companies based on the perception that they are too critical or 'not willing to tow the company line'. In both cases, selection is based on perceived attributes rather than substantive competence and reflect a kind of informal but very influential selection criteria (i.e. criteria not formally documented but regularly applied). For large SIA projects, the criteria may be disclosed to consultants during the request for tender phase. In other cases, consultants need to 'read between the lines' or do some behind the scenes work to get this information. These differences and dynamics add further unevenness to the SIA landscape.

Finally, selection decisions are sometimes based on 'who was already in the system'. In some situations, it is easier to award the contract to a 'vendor' who is already 'set up' (registered and approved) with procurement. In these moments, the SIA process is fully subjected to structural-commercial conditions.

3.3   Implementation phase

Once selected and contracted, the consultant commences the SIA. This typically begins with a desktop review, followed by various primary data gathering exercises including engagement with affected communities and project stakeholders. There may be several rounds of data collection and review of initial data for quality control and refinement of instruments. Contractual variations may be requested to expand or reduce the scope. The primary output is usually a report, or series of reports, that describe the study design, summarise the findings, and present recommendations for mitigating and managing risks and maximising opportunities (which may be captured in social impact management plans, or SIMPs). Draft versions of the report will be reviewed by the company, and

potentially by independent subject matter experts or public institutions. There may be further engagement with communities and stakeholders to confirm findings and recommendations.

Overall, SIA implementation is heavily constrained by the conditions set in the commissioning and proposal phase.

The following key factors have a material influence on implementation:

- **Who does the SIA:** the capability within the team directly influences SIA implementation, including the quality of the data collected.

- **Data collection methods:** quantitative methods (like surveys) are often preferred over qualitative methods that require more time, resources, and expert judgement. The budget, scope and expertise assigned to the SIA influence the choice of methods and type of data that can be gathered (and therefore the range and depth of insights attained).

- **Ethical considerations:** the SIA process can harm vulnerable people. Failure to attend to the ethical dilemmas in the SIA process can undermine the value and legitimacy of the SIA.

- **Report writing and recommendations:** time pressures, resources and expertise influence the quality of report writing and the development of recommendations (and their usefulness).

Like scoping and proposal writing, who implements the SIA matters a great deal. Proposals normally provide information on the SIA team, however; business factors and other contingencies (like consultant availability) can result in variations to the team originally proposed (and therefore variations in skillsets and SIA competency). There is a consensus that the most senior consultants spend the least amount of time in the field. One consultant summed it up rather frankly like this: 'As soon as the project starts, the person with 35 years' experience disappears! Maybe they show up for a few key meetings.' The absence of senior expertise has numerous flow-on effects, especially for the type of methods deployed.

Although the methodological toolkit for SIA is quite expansive, in practice there is a heavy reliance on a stock set of instruments and approaches. The use of quantitative surveys is often preferred because it can provide a 'fast' way of collecting data. These surveys can also be 'inspired' (copied or adapted) from surveys used on previous projects and are thought to be more easily administered by junior consultants and local enumerators without supervision in the field (and are therefore more cost effective). The implications are significant: 'cheaper methods' are prioritised over qualitative approaches that yield richer insights, like in depth interviews or participant observation, that require greater time and expert judgement. More experimental methods like 'yarning' (or regional variants such as *Talanoa* or *Tok Stori*), community-led SIA, 'collaborative event ethnography', 'trauma informed impact assessment' or 'community visioning' are less likely to be used. These methods take time and careful planning. As one consultant bemoaned, 'Senior consultants don't want to upset bosses. Anything unfamiliar gets vetoed.'

A common complaint among SIA practitioners is the lack of time for fieldwork, resulting in rushed data collection, data gaps, or poor-quality data that cannot be used. Various factors contribute to this problem including budget constraints, inexperience, or poorly scoped field schedules (where the study design fails to match the complexity of the social environment). Fieldwork schedules may also be subject to company-imposed constraints. Consultants might be told that some areas and stakeholders are 'off limits' due to political or security reasons or forced to follow occupational health and safety protocols that restrict their activities to daylight hours. These and other factors can heavily constrain fieldwork, methods used, and influence access to affected community members.

While SIAs are notionally meant to identify and reduce harm to communities from mining, the SIA process can impact people (especially when working with vulnerable communities).[7] The entire SIA process, including the design of the SIA, fieldwork methods, community engagement, and use of data etc., raises various ethical concerns. A prominent critique of extractive industry SIAs, is that they are 'extractive': the SIA process extracts information from people to benefit a company. In sensitive and conflict-ridden environments, the SIA process can put lives at risk.[8]

Academics and practitioners have written about the ethical dimensions of SIA, and the IAIA has issued a set of principles for ethical standards in SIA practice.[9] Despite this, of the 30-odd SIAs we reviewed, only two contained statements about ethical research frameworks that informed the study design. Both were conducted in Australia and drew upon the 'National Statement on Ethical Conduct in Human Research' (Australian Government National Health and Medical Research Council, 2014). However, reference to a framework does not necessarily mean that teams have complied with the framework.

Practitioners report considerable variability in the extent to which research ethics are considered in company-commissioned consultant-led SIAs. Some think that ethics are 'hardly on the radar' because SIAs are not usually regarded as research per se (but an instrumental activity for corporate or regulatory purposes), and because commissioning companies rarely ask consultants to demonstrate compliance with ethics frameworks. Likewise, there is great variability in the regulatory requirements for SIA, between countries and at the sub-national level. For example, guidelines for SIA issued by different states within Australia vary in their emphasis on research ethics.[10] Unsurprisingly, SIA practitioners based at universities, or familiar with university research protocols, are more attuned to the need to design and conduct SIAs to the highest ethical standards to avoid harm to communities – especially when working with Indigenous communities. Some consultants try to uphold their own 'moral standards', which may or may not be grounded in formal ethics frameworks. These differences influence the methods that are used, the level of meaningful community involvement in the SIA, and the potential for the SIA to harm vulnerable groups. A lack of attention to research ethics often reflects the drivers for the SIA (i.e. an SIA driven by compliance, rather than the opportunity to enhance community self-determination).

The standard output of an SIA is a report delivered to the company. These documents can be hundreds of pages long and usually include a mix of quantitative datasets and descriptive text. This default mode of presentation means that data is often locked in a static form, and as we discuss in the following section this influences how the SIA is used. Like proposal writing, junior and intermediate consultants ordinarily do the bulk of the writing. Senior SIA consultants are often too busy (and too expensive). One of way of getting around these constraints is to 'develop standardised text':

---

[7] For example, in 2017, an SIA consultant was recorded 'pushing' Indigenous communities to accept the inevitability of gas development and to negotiate for housing and other benefits. Jane Bardon, 'Fracking in the NT: Indigenous Community "pushed" to Consider Benefits Because Industry "Not Going Away"' ABC News (6 October 2017) <https://www.abc.net.au/news/2017-10-07/nt-indigenous-community-urged-to-consider-fracking-benefits/9022170> accessed 24 November 2021. This was a high-profile incident, as the SIA was for the Scientific Inquiry Into Hydraulic Fracturing in the Northern Territory (NT Fracking Inquiry).

[8] See for example:
Burton, J. (2014). Agency and the "Avatar" narrative at the Porgera gold mine, Papua New Guinea. *Journal de la Société des Océanistes*, 138-139, 37-51.

[9] See for example:
Baines, J., Taylor, C.N., & Vanclay, F. (2013). Social impact assessment and ethical social research principles: Ethical professional practice in impact assessment Part II. *Impact Assessment & Project Appraisal* 31(4), 254-260.
Howitt, R. (2005). The importance of process in social impact assessment: Ethics, methods and process for cross-cultural engagement. *Ethics, Place & Environment*, 8(2), 209-221.

[10] See for example:
'Social Impact Assessment Guideline for State Significant Projects'. (2023). Published by NSW Department of Planning and Environment, Australia.
The *AIATSIS Code of Ethics for Aboriginal and Torres Strait Islander Research* (2020) provides the standard for ethical engagement with First Nations groups in all forms of research, which encompasses SIAs. SIA guidelines issued by state-level regulators across Australian states vary as to whether compliance with this code is required.

> The response to manage senior people's workloads is to develop standardised text. So sometimes you'll take text from a massively complex SIA … then bang it onto a little solar farm in the middle of nowhere.

The combination of time pressures, lack of senior input, and reliance upon 'approved text' across the SIA process contributes to the issues of genericism that we have discussed above.

Once the report is drafted it must be reviewed and eventually 'approved'. Theoretically this provides an opportunity to improve the SIA. Again, time constraints and limited expert input can be an issue, with material consequences. In one particularly illustrative situation, a senior consultant said to us, 'I don't know what's going on…I haven't been to site…but it's due tomorrow and if I sign it off, I get to go home.' The review process can also give rise to various forms of 'censoring'. This occurs, for instance, when consultants consciously revise their work so that it will not be 'rejected' by the commissioning company or to avoid exposing sensitive issues. Sometimes it is more egregious, like when consultants conceal findings that might jeopardise their chances of re-engagement. Similarly, when company management review the draft, they often make changes to 'soften the language' and present the project in a more positive light (especially if the SIA is for project approval). How heavily the report is edited may depend on how critical the findings are, and the 'maturity' of company and its willingness to know about difficult issues and impacts. It can also reflect the belief that SIAs are too 'subjective and not objective enough'.

The final step in this phase is to develop recommendations. These are often produced last, under time pressure. Censoring can be an issue, especially if the recommendations highlight performance gaps and the SIA is to be publicly available. If there are no resources included in the scope to collaboratively develop the recommendations with the teams and stakeholders responsible for implementing them, then it reduces the likelihood of the recommendations being acted upon.

3.4   Receipt and application phase

SIA outputs (reports, raw data, recommendations etc) will be used by the company for various purposes. This often includes submission of the SIA to regulatory authorities for project approvals or to financial institutions to meet lender requirements (such as the Equator Principles, or the IFC Performance Standards). Depending upon the original scope and the driver for the SIA the results may be released into the public domain. Ideally, the company will integrate the findings and recommendations into operational decision-making processes and use the results to inform collaborative planning and management processes with other stakeholders.

Social performance capability, and earlier decisions in scoping, proposal and implementation phases have direct consequences for application (i.e. a generically scoped SIA is likely to be less useful because of its genericness).

The following key factors have a material influence on application:

- **The driver of the SIA:** when SIAs are produced for compliance, there is generally less incentive for site teams to operationalise the findings. There is strong relationship between purpose and integration.

- **Site-based social performance capability:** site-based teams need the capability to interpret, apply and integrate SIA findings into operational plans and decision-making processes.

- **Data presentation and storage:** when SIA data only exists in a static form (i.e. a report), it is unlikely to be integrated into operational systems. Forethought is required at the design phase to establish what data formats and outputs are most compatible with operational requirements (i.e. development of datasets that can feed into social performance management systems and databases).

Once the SIA outputs are produced, they have to be 'received' by the company. Normally this is a straightforward affair, but there are cases where commissioning companies have refused to even accept the outputs, or they receive them and bury them immediately. The entire SIA process comes to a sudden halt and the question of application becomes redundant. In these moments, the maturity of the company's social performance function is fully exposed, where specific structural factors produce a corporate culture of strategic or wilful ignorance.[11]

There is a strong relationship between the driver of the SIA and application of the SIA. Generally speaking, when SIAs are produced for compliance, there is little incentive for site operational teams to engage with the SIA and apply the recommendations. When the SIA is driven by inquiry, to understand a specific set of issues and impacts, there is often a higher level of uptake. And when the SIA is geared towards empowering local communities, application is thought to be greatest. The underlying point being that application is dependent on the level of engagement and investment in the development and implementation of the SIA.

Social performance practitioners regularly observe a disconnect between corporate 'study teams' and site teams. This issue is particularly pronounced at new projects when the SIA is developed before the site team has been established. It can result in situations where operational plans are then established with little regard for the SIA. Even when the SIA is used by the site social performance team, other functional units within the company may not be aware of the SIA or the relevance of the findings for their business unit. This is problematic because many issues, impacts, and recommendations cut across functional domains. For example, managing the risks of in-migration requires input from security, environment, and human resources functions among others.

Site level social performance capability directly influences application of the SIA. Because SIA reports can be very technical, this can be a barrier. If site teams are mostly geared around managing community relations, it cannot be assumed they will have the skills to interpret and apply SIA findings to operational decision making. Likewise, if social performance management is not structured around a data-driven approach – but instead reactive and based on opinion – then it is very unlikely that the SIA will be used to inform day-to-day decision making. Site teams are almost always under immense time pressure (caught in a vortex of 'firefighting' issues). As a result, many social performance practitioners complain that they just do not have the time to read and digest a large report and translate findings and recommendations into business decisions. Corporate teams make similar remarks.

As we have noted above, the typical output is a lengthy report. When SIA data is only presented in this static format, it reduces the chances of application. Interactive data formats are likely to be more useful for future use, as site teams can better integrate the data into social performance management system software or databases. It is unclear why more interactive data formats are not regularly scoped into SIAs. It is possibly related to inexperience (recall: social performance practitioners being unaware of what they need from an SIA, and junior consultants undertaking the bulk of the proposal writing). It may also be related to the inertia of established practices, and pricing considerations. Regardless of the reason, the format in which the data is presented and made accessible often determines how the data is used and for what purpose. In the end, it is not enough to simply produce a good quality SIA report. Attention needs to be given to the receiving environment, and how the data and recommendations will be integrated into business operations.

4. Opportunities for change

At best, SIA can serve as a 'countervailing force' within mining corporations to help curb the worst excesses of the industry. This is certainly the potential inherent in SIA, as indicated by the aspirational

---

[11] Cf. Lawrence, R., & O'Faircheallaigh, C. (2022). Ignorance as strategy: 'Shadow places' and the social impacts of the ranger uranium mine. *Environmental Impact Assessment Review*, 93, 106723. https://doi.org/https://doi.org/10.1016/j.eiar.2021.106723

definitions offered by the IAIA and its acolytes. But as our research has demonstrated, the structural-commercial conditions within which SIA occurs continually frustrate this possibility.

Taking a holistic view, we can see how decisions and factors in one phase 'condition' the practices and outputs across other phases. Various feedback loops (or vicious cycles) begin to emerge. This means we can also see where we can break these patterns to improve practice.

One kind of feedback loop relates to poor quality SIAs (i.e. SIAs that are generically scoped, under resourced, and incommensurate with the social complexity and scale of impacts in a project area). In this case, the decisions and factors that contribute to poor quality SIA play a role when it comes to operationalising the data to inform decision-making processes. In the future, it is then harder for social performance practitioners, and SIA consultants, to make the case for SIA and secure the resources to invest in a more robust SIA (that would be used), which further perpetuates poor quality SIA (see Figure 2 for example).

Figure 2 Feedback loop for poor quality SIA

Another kind of feedback loop concerns shallow internal capability in social performance (and SIA specifically). In this case, low capability leads to an inability to detect inexperienced consultant teams and poorly designed SIA proposals. In turn, social performance teams and site management are unlikely to recognise a poor-quality SIA that fails to accurately identify impacts and recommend suitable remedial actions. Low capability can result in situations where the same consultant is retained for subsequent work because they hold institutional knowledge and networks, which means that internal capability for better SIA is never developed (because the social performance team rely on the consultant to tell them what is sound and valid).

We have witnessed both examples at different operations (sometimes within the same company), and we can readily identify variants of these feedback loops. Both examples help identify points for intervention. In the first case, investing more time and resources in the scoping of the SIA, and adopting an inquiry-based approach, would help break this cycle, ensure greater relevance to site teams, and improve end use. In the second case, investing in social performance capability is the key intervention

to break the pattern of dependence on external consultants (and to identify when consultants fail to bring the necessarily level of expertise).

If we flip these feedback loops, a positive cycle might look like this. Investment in social performance capability leads to quality SIA (beginning with robust inquiry-based terms of reference and suitable resourcing), which leads to increased company engagement with SIA implementation and outputs, leading to increased willingness and capability to apply the SIA and integrate results into decision-making processes, which helps to drive a process of continuous improvement in social performance.

At the heart of these kinds of feedback loops is the issue of social performance capability. In other words, a good quality SIA is not only contingent on social performance capability, but more importantly, the SIA (good, bad or otherwise) is no replacement for mature social performance capability in order to reduce harm to communities.

In this final section, we identify where change is needed. We provide recommendations for companies, consultants, regulators, and industry associations.

4.1   For companies

- Invest in social performance capability at corporate and site level, with specific attention to the technical skills for SIA. Robust social performance capbility requires technical competency across a range of fields (e.g. engagement, grievance handling, cultural heritage management, resettlement, land management, community development, risk and impact assessment among numerous others). SIA is another technical field under the broad umbrella of social performance capability.

- This means developing capability in applied social science, with depth in both qualitative and quantitative methods and data analysis; capability in SIA study design and management; and capability in site teams to translate, apply and integrate SIA outcomes into operational decision-making processes. Without in-house capability, it will not be possible to reduce reliance on consultants or maximise consultant input.

- An analogy with environmental monitoring and management is useful here: mining companies generally accept the need to develop in-house technical capability within the environment function. This includes ability to design data collection processes; ability to analyse and operationalise data; and ability to design and oversee environmental impact assessment studies – even if they are undertaken by specialist consultants. It should be no different with SIA.

- When consultants are needed, invest in the terms of reference for the SIA. Ensure that the ToR is developed with input from appropriate SIA expertise, inquiry-focussed, commensurate with the social complexity of the operational context, and designed with the end use (or receiving environment) in mind.

- Utilise an iterative process to refine the focus, scope, and design of the SIA. This will allow early inquiries and data collection to inform the objectives and overall design of the SIA. Build time and resources into the design process to work with consultants to scope for an agreed purpose.

- To address perverse pricing incentives that undermine quality, the substantive purpose and design of the SIA should determine the budget.

- Provide resources to support a design process that engages key stakeholders (internal and external) to ensure meaningful participation and buy-in to the SIA.

- Consider how the SIA connects with and supports existing social performance management systems (including databases and software used by operational teams).

- Include social performance competencies, and SIA specifically, in leadership courses for mine managers and executives across the business.

- For companies operating in mining-intensive regions (and especially juniors that lack in-house resources), participate in regional, community-led SIA models that share baseline data and pool social knowledge of mining regions.

4.2   For consultants

- Develop proposals with direct input from senior SIA experts.

- Utilise an iterative process to refine the focus, scope, and design of the SIA. This will allow early inquiries and data collection to inform the objectives and overall design of the SIA. This means spending time working with commissioning companies to scope for an agreed purpose.

- Establish teams with suitable SIA expertise, including the involvement of senior SIA experts in fieldwork, report writing and recommendations.

- Develop and design SIAs around frameworks for ethical research practices.

- Work with commissioning companies to identify how the SIA will be used, and by whom, and for what purpose. Insist on securing resources to support integrated and collaborative processes for developing recommendations and transferring outcomes into social impact management plans and social performance management systems.

4.3   For regulators

- Invest in technical capability in SIA to better assess SIAs (with a focus on identifying strengths and shortcomings across the entire SIA process).

- Decouple SIA from Environmental Impact Assessment (as SIAs are often buried in the environmental impact statement and approvals process in most regulatory frameworks).

- Identify and set clear triggers for SIA across the project lifecycle.

- Issue and regularly update SIA guidelines to raise performance above the basic requirement to conduct an SIA.

- Provide incentives for companies to collaborate in regional SIAs, such as investing in shared infrastructure for use by companies that share SIA data within designated regions.

4.4   For industry associations

- Support collaborative SIA models and knowledge transfer, e.g. with a case study repository of SIA in different contexts.

- Support the establishment of training and professional development in SIA (specifically for the extractive industries context).

5. Appendices

A-1 Research Design

To address the central question, this research was carried out in three phases:

- Desktop review of literature & publicly available SIA reports

- Interviews with social performance practitioners in the extractive industries (mining, and oil and gas), and SIA practitioners

- Focus group workshop with SIA practitioners (at the International Association for Impact Assessment annual conference).

Phase 1: Desktop review

- There is abundant literature on SIA, both peer-reviewed and 'grey'. This literature was reviewed to ascertain how SIA has been researched and the extent of existing work on the structural-commercial context for SIA in mining. We also reviewed literature on mining social performance, to situate SIA within the broader practice of social performance.

- A selection (30) of publicly available SIA reports were also collated and reviewed. All were mining-sector SIAs. This was not intended to be a systematic review – rather a sensitisation exercise to assist in the design of the interviews and focus group workshop.

- We show that research on SIA, especially over the last decade, has been dominated by case examples of SIA being applied, comparisons of SIA with other modes of social research (program evaluation, risk assessment, etc.), or expositions on what SIA should be. The focus is on how to 'do SIA'. Critical research on the broader context in which SIA is done – particularly the structural-commercial conditions – has been overlooked.

Phase 2: Interviews

This phase comprised interviews with social performance staff in mining companies and SIA practitioners (working in consulting firms, universities, or with regulatory authorities). Experienced professionals (10+ years' experience) with substantial experience in the mining sector were targeted. A total of 25 interviews were conducted. There are several points to note with this cohort:

- Many interviewees currently working in a mining company had also had significant experience as an SIA consultant, or vice versa. Similarly, those working in research on mining or SIA typically also had careers as practitioners.

- Who is an experienced SIA practitioner? There is no universally recognised qualification for SIA. Many SIA practitioners originally trained in disciplines other than social science (e.g. environmental management). Some experienced SIA practitioners may have focused on infrastructure, planning, or other sectors, with only limited exposure to mining sector SIAs. Some may have only recently become consultants, having migrated to consulting practice after long experience in government or industry.

- Who is an experienced social performance practitioner? There is no universal qualification for social performance, given that 'social performance' is a relatively new discipline. There is wide variation in what mining companies call social performance, and many roles are hybrid roles involving social performance and other functions. For example, a person might have a job title of 'sustainability and external affairs', or 'human rights advisor', and part of their role includes social performance. Some individuals may also be new to the mining industry but have had significant experience in other sectors.

- Given these nuances, interviewee selection for this study was constrained. Interviewees were included if they broadly held experience that could be identified as SIA or social performance, in mining or other extractives sectors.

- Interviews were approximately 60 minutes long. Detailed notes were taken, albeit de-identified to protect interviewees' views from being attributed to them. UQ ethics approval was granted. The interviews were semi-structured, and designed to probe what structural-commercial factors affected the scope and conduct of an SIA, in their experience. The inset box below provides a generalised interview protocol.

Protocol for semi-structured interviews

> The interviewee will be asked to describe (and critically reflect on) the SIA process from their perspective. As a semi-structured interview, the following prompts may be invited:
>
> Who decides when an SIA is required, and what are the criteria (including operational deadlines)?
>
> How is the budget for an SIA decided?
>
> Who prepares the scope of work, that person's expertise in SIA, and the data used to inform the scope of work?
>
> Who is invited to submit proposals (open tender, select invitation, sole-source), and why?
>
> Who has input in selecting the contractor, and on what criteria (formal or in-practice)?
>
> What role does the interviewee have in steering the direction of the SIA?
>
> How does the interviewee assure quality of the SIA?
>
> To what degree is the scope of work flexible to accommodate learning throughout the process?
>
> Integration between rest of the business and the SIA process – during SIA preparation and following completion.
>
> What factors influence the implementation of the SIA?
>
> Whether / how the SIA is used to inform social performance practice, and/or other business decision-making.
>
> Any other observations, concerns, doubts, or reflections about the SIA process.

Phase 3: Focus group workshop

A 90-minute workshop was held at the IAIA conference in May 2023. The IAIA is the peak international association of impact assessment professionals, including SIA. The workshop reported aggregated interview data (collected to date), and invited attendees to comment. Participants included social performance practitioners, SIA consultants, academics-practitioners and SIA regulators. They were taken through a series of discussion exercises. In brief, they were asked:

- What does SIA look like, when at its best? What does it look like in practice?

- To what extent does practice diverge from ideal? Why?

- Characterise mining company practitioners responsible for drafting the terms of reference for an SIA.

- Characterise the consultant who is responsible for preparing the proposal for an SIA.

- Attendees were asked to respond from their own experience. They were encouraged to argue with each other, challenge the premise of the questions, and raise other inquiries.

Limitations

All the participants in this study spoke English, and most were from Western countries, notwithstanding professional experience spanning the globe. The informant set for this study is small compared to the set of all social performance and SIA practitioners globally. This study does not purport to offer a globally representative set of findings. The aim is to understand how structural-commercial conditions shape SIA

practices and outcomes. The collective experience of the informant set is sufficient to achieve this aim, and to frame more targeted future research in this area.

A-2   Desktop Review

The desktop review for this study included a review of publicly available SIA reports (for mining projects), review of research literature on SIA. We begin by reflecting on two key terms and concepts, how they are defined, and the implications for this study.

Social impact

A social impact 'is conceived as being anything linked to a project that affects or concerns any impacted stakeholder group'.[12] This is a broad definition that indicates the breadth of what constitutes social impact. Social impacts are not a discrete category of impacts that are mutually exclusive from environment, safety, economic, or other 'species' of impacts. For example, dust generated by a mine can simultaneously be an environmental impact (e.g. by inhibiting plant growth) and a social impact (e.g. by triggering health conditions). People's unease about dust would be a related but distinct social impact – a psychological response to dust rather than a respiratory one.

It is important to note that the definition of 'social impact' contains a circularity: what constitutes a social impact is determined by reference to the interests of 'impacted' stakeholders, who in turn would be identified by the impacts they would experience. Presumably this construction is intended to exclude concerns about a project that originate from ordinary members of the public. For example, the concern of a social media commentator, with no other connection to the project, would not be considered a social impact. This circularity matters because it means that SIA is inherently an iterative process – one in which the set of stakeholders or rightsholders ('who is affected by a project?') evolves alongside the assessment of impacts ('how will they be affected?') and the methods used to assess impacts ('what types of impacts are made visible or recognised').

Social impact assessment

SIA can be defined as the process of identifying and prioritising social impacts arising from a project or development intervention. The IAIA defines SIA as 'the process of identifying and managing the social issues of project development, and includes the effective engagement of affected communities in participatory processes of identification, assessment and management of social impacts.' (Vanclay et al., 2015: iv).

The logic contained in this definition is as follows:

status quo (baseline) + project activities = changes to status quo (impact)

This logic may be applied *ex-ante* (i.e. what impacts will or might arise), or *ex-post* (i.e. what impacts have arisen). The former has a theoretical commonality with risk assessment, and the latter with evaluation.

Given the very broad definition of social impact (above), this means that the potential scope of an SIA may be equally broad. It means that SIA can claim many disciplines and cover many different types of stakeholders. This matters because scoping an SIA is difficult in practice. For example, *who* has the expertise to do this (especially within a mining company)? *How* can the SIA cover off on everything (all the potential impacts)?

State of research in SIA

SIA constitutes a very specific form of applied research. But SIA itself – as a practice and form of knowledge production – has also been the focus of a rather large body of research. A good deal of this work is

---

[12] Vanclay, F., et al. (2015). *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects*. Fargo ND: International Association for Impact Assessment.

published in scholarly journals with a dedicated focus on impact assessment.[13] There is also a sizable body of 'grey literature' on SIA. The editor of Impact Assessment and Project Appraisal journal recently suggested there were more than 1000 scholarly publications that deal with SIA in some form.[14]

Our initial review of this very large body of literature has surfaced four main thematic categories. We note that there is a lot of overlap between these categories, as many publications deal with several of these themes.

SIA Methodology. The most prominent theme is the methodological aspects of SIA. There is a proliferation of guidelines, handbooks and principles for SIA practice developed by academic-practitioners, government and non-government agencies, industry bodies and financial institutions among others.[15] Some of this literature is sector specific[16] (i.e. SIA in the extractives sector or SIA for conservation projects), discipline specific[17] (i.e. SIA as form of applied anthropology), or related to particular types of impacts[18] (such as dealing with cumulative impacts).

State of the art. A second, and closely related, thematic focus covers normative positions on what SIA is meant to be, what it should and could achieve, and what constitutes the current 'state of the art'.[19] A subset of this work deals with the ethical dimensions of SIA practice, and the various frameworks and standards for ethical research that should apply to SIA.[20]

Case studies. There is a vast body of literature that presents SIA case studies. Many of these publications simply present the findings of SIAs and related assessments. Some use the findings to engage with various social, economic, political, or theoretical debates.[21] And some authors reflect critically on SIA, observing the limitations with specific impact assessments or factors that shape the assessment outcomes.[22]

---

[13] For example, *Impact Assessment and Project Appraisal*, *Journal of Environmental Assessment Policy and Management*, and *Environmental Impact Assessment Review*, and cognate journals such as *Environmental Science and Policy*, *Journal of Environmental Planning and Management* and *Land Use Policy*.

[14] Fischer, T. B. (2023). Impact assessment publishing – observations and reflections after 7 years of being editor of impact assessment and project appraisal. *Impact Assessment and Project Appraisal*, *41*(3), 175-180.

[15] For example:
Vanclay, F., Esteves, A. M., Auccamp, I., & Franks, D. (2015). *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects.* Fargo ND: International Association for Impact Assessment.
Parsons, R., Everingham, J.-A., & Kemp, D. (2019). Developing social impact assessment guidelines in a pre-existing policy context. *Impact Assessment and Project Appraisal*, *37*(2), 114-123.
Becker, H. A. (2001). Social impact assessment. *European Journal of Operational Research*, 128(2), 311-321.
Burdge, R. J. (2022). *A Community Guide to Social Impact Assessment*. University Press of Colorado.
Esteves, A. M., Vanclay, F., & Maria da, F. (2011). *New directions in social impact assessment: conceptual and methodological advances.* Edward Elgar.
Burdge, R. J. (2015). *The concepts, process and methods of social impact assessment*. Society and Natural Resources Press.

[16] For example:
Joyce, S. A., & MacFarlane, M. (2001). Social impact assessment in the mining industry: current situation and future directions. London: International Institute for Environment and Development (IIED). *Mining, Minerals and Sustainable Development*, 8-10.
Suich, H., & Dawson, N. (2023). *Review of methods for assessing the social impacts of conservation*. Gland, Switzerland: IUCN.
Mancini, L., & Sala, S. (2018). Social impact assessment in the mining sector: Review and comparison of indicators frameworks. *Resources Policy*, *57*, 98-111.

[17] Goldman, L. R. (2020). *Social impact analysis: an applied anthropology manual*. Routledge.

[18] Franks, D., Brereton, D., & Moran, C. J. (2010). Managing the cumulative impacts of coal mining on regional communities and environments in Australia *Impact Assessment and Project Appraisal*, *28*(4), 299-312.

[19] Vanclay, F. (2020). Reflections on Social Impact Assessment in the 21st century. *Impact Assessment and Project Appraisal*, *38*(2), 126-131.
Esteves, A. M., Franks, D., & Vanclay, F. (2012). Social impact assessment: the state of the art. *Impact Assessment and Project Appraisal*, *30*(1), 34-42.

[20] Vanclay, F., Baines, J. T., & 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.
Baines, J. T., Taylor, C. N., & Vanclay, F. (2013). Social impact assessment and ethical research principles: ethical professional practice in impact assessment Part II. *Impact Assessment and Project Appraisal*, *31*(4), 254-260.
Howitt, R. (2005). The importance of process in social impact assessment: Ethics, methods and process for cross-cultural engagement. *Ethics, Place & Environment*, *8*(2), 209-221.

[21] Hill, C., Namara, C., Orcaya, J., Bogrand, A., & Sellwood, S. A. (2021). Hidden in plain sight: gender analysis of the environmental and social impact assessment of the East African Crude Oil Pipeline. *Impact Assessment and Project Appraisal*, 39(3), 229-239.
Quy Nghi, N., Thi Minh Phuong, N., & Le Hang, D. T. (2021). Gender biases in resettlement processes in Vietnam: examining women's participation and implications for impact assessment. *Impact Assessment and Project Appraisal*, *39*(3), 206-217.

[22] Banks, G. (2013). Little by little, inch by inch: Project expansion assessments in the Papua New Guinea mining industry. *Resources Policy*, *38*(4), 688-695.

Emerging practices. A final thematic category addresses emerging modes of SIA practice and the intersection with other forms of impact assessment. This includes for example, the commonalities and differences between SIA and human rights impact assessment, and how to integrate the objectives of these two forms of assessment.[23] Other works consider the connection between SIA and gender impact assessment, especially the need for increased gender responsiveness in impact assessment.[24] There is also growing attention on community-led or 'community-controlled' SIA, the barriers to community involvement in the SIA process, the politics of knowledge production and ownership in the assessment process, and how impact assessment can empower (or disempower) communities in project negotiations.[25]

In addition to these themes, there is a critical literature that deals with the politics of applied research and knowledge production (especially social science research) within the extractive industries. These authors reflect on the 'corporate capture' of scientific expertise and knowledge, and some of the moral hazards and obligations that accompany applied research, especially within the discipline of anthropology.[26]

Although we are primarily focussed on SIA, there are notable works addressing similar structural and commercial factors in the much larger body of literature dealing with Environmental Impact Assessment (EIA). Scholars are turning their attention to the relationship between extractive companies and environmental consulting firms, analysing the power imbalances and conflicts of interest that shape EIA outcomes.[27] Michael Dougherty's ethnographic study of environmental consulting companies and the mining industry in Guatemala is significant in this respect. He observed the how the structure of the relationship

[23] For example:

Götzmann, N., Vanclay, F., & Seier, F. (2016). Social and human rights impact assessments: what can they learn from each other? *Impact Assessment and Project Appraisal*, *34*(1), 14-23.

Kemp, D., & Vanclay, F. (2013). Human rights and impact assessment: clarifying the connections in practice. *Impact Assessment and Project Appraisal*, 31(2), 86-96.

Esteves, A. M., Factor, G., Vanclay, F., Götzmann, N., & Moreira, S. (2017). Adapting social impact assessment to address a project's human rights impacts and risks. *Environmental Impact Assessment Review*, *67*, 73-87.

[24] For example:

Götzmann, N., & Bainton, N. (2021). Embedding gender-responsive approaches in impact assessment and management. *Impact Assessment and Project Appraisal*, *39*(3), 171-182.

Lahiri-Dutt, Kuntala; Ahmad, Nesar. (2011). Considering gender in social impact assessment. In: Vanclay F, Esteves AM, editors. New directions in social impact assessments: conceptual and methodological advances. Cheltenham (UK): Edward Elgar Publishing; p. 117–137.

Reynolds, A. N. (2021). Women at work and war: integrating gender and conflict into impact assessment. *Impact Assessment and Project Appraisal*, *39*(3), 196-205.

[25] For example:

O'Faircheallaigh, C. (1999). Making Social Impact Assessment Count: A Negotiation-Based Approach for Indigenous Peoples. *Society & Natural Resources*, *12*(1), 63-80.

O'Faircheallaigh, C. (2017). Shaping projects, shaping impacts: community-controlled impact assessments and negotiated agreements. *Third World Quarterly*, *38*(5), 1181-1197.

Lawrence, R., & Larsen, R. K. (2017). The politics of planning: assessing the impacts of mining on Sami lands. *Third World Quarterly*, *38*(5), 1164-1180.

Roche, C., Brueckner, M., Walim, N., Sindana, H., & John, E. (2021). Understanding why impact assessment fails; a case study of theory and practice from Wafi-Golpu, Papua New Guinea. Environmental Impact Assessment Review, 89, 106582.

[26] See especially:

Macintyre, M. (2001). Taking Care of Culture: Consultancy, Anthropology and Gender Issues. *Social Analysis*, *45*(2).

Filer, C. (1999). The dialectics of negation and negotiation in the anthropology of mineral resource development in Papua New Guinea. In A. Cheater (Ed.), *The Anthropology of Power: Empowerment and disempowerment in changing structures* (pp. 88-102). Routledge.

Kirsch, S. (2014). *Mining Capitalism: The Relationship Between Corporations and Their Critics*. University of California Press.

Burton, J. (2014). Agency and the "Avatar" narrative at the Porgera gold mine, Papua New Guinea. *Journal de la Société des Océanistes*, *138-139*, 37-51.

Coumans, C. (2011). Occupying Spaces Created by Conflict: Anthropologists, Development NGOs, Responsible Investment, and Mining. *Current Anthropology*, *52*(3), 29-43.

[27] For example:

Li, F. (2009). Documenting Accountability: Environmental Impact Assessment in a Peruvian Mining Project. *PoLAR: Political and Legal Anthropology Review*, 32(2), 218-236.

Aguilar-Støen, M., & Hirsch, C. (2015). Environmental Impact Assessments, local power and self-determination: The case of mining and hydropower development in Guatemala. *The Extractive Industries and Society*, 2(3), 472-479.

Aguilar-Støen, M., & Hirsch, C. (2017). Bottom-up responses to environmental and social impact assessments: A case study from Guatemala. *Environmental Impact Assessment Review*, 62, 225-232.

encourages consulting firms to produce assessment documents that serve the interests of the mining company. Environmental consulting firms, according to Dougherty, are not disinterested technocrats but exist in a compromised relationship of reliance upon the mining industry:

> This set of forces acting in the relationship between mining and environmental consulting firms—high pressure, conflicts of interest and the growth of the consulting sector, taken together, serve to dramatically dilute the quality of EIAs.[28]

While his ethnographic profile of environmental consulting companies points to the sorts of issues, factors, and dynamics that we are interested in, to our knowledge the literature has very little to say about these sorts of issues when it comes to SIA.

Social performance in mining

The literature on social performance in the mining industry is nested within a larger body of work on the concept and practice of 'corporate social responsibility' (CSR). Here we are primarily interested in two questions. What constitutes 'good' social performance? And what is required for good social performance to be carried out?

The first thing to note about the social performance literature is the absence of a single (or clear) definition of the term. This is important, because it reflects the variety of ways that social performance is understood (and misunderstood) across the mining industry, and among practitioners, researchers, and commentators.

The term is often used to refer to a specific function or unit within the business, and a broader suite of organisational activities that deal with the 'social dimensions' of mining (such as community relations, grievance handling, community development, agreement negotiations and management, resettlement among many others). It is presented as the domain of company-community interfaces. In this sense, the term reflects the evolution of the 'community relations' function, as thinking has matured on the range of specialist skills and organisational architecture required for managing the social aspects of mining. As a result, a primary strand within the literature is concerned with establishing social performance as a 'technically capable function' within the mining industry.[29]

The different views on what social performance entails is reflected in the different views about what the social performance function is supposed to achieve. For example, one prominent industry insider describes social performance as a 'governing framework' for 'asset-level behaviours and activities involving direct and local social interactions', with the three-fold objective of 'securing project consents and maintaining societal stability and public approval'.[30] This definition suggests that social performance is a function primarily designed to serve the interests of the company.

An alternative view argues for a social performance function within the business that can act as a 'countervailing power' to temper the 'unmitigated self-interest of mining companies'.[31] From this perspective, the emphasis is on establishing the organisational architecture, structure, and technical competencies to prevent the production of harm to local communities and environments. Despite these differences, there is agreement that social performance is categorically different from other functions with which it is commonly

[28] Dougherty, 2019: 446.

Dougherty, M. L. (2019). Boom times for technocrats? How environmental consulting companies shape mining governance. *The Extractive Industries and Society*, 6(2), 443-453.

[29] See for example:

Esteves, A. M., & Moreira, S. (2021). Developing social performance professionals in the extractive industries. *The Extractive Industries and Society*, 8(4), 100964.

Owen, J., & Kemp, D. (2017). Social management capability, human migration and the global mining industry. *Resources Policy*, 53, 259-266.

Brereton, D. (2003). Self-regulation of environmental and social performance in the Australian mining industry. *Environmental and Planning Law Journal*, 20(4), 261–274.

[30] Harvey, B. (2017). Social performance-a new professional discipline. *AusIMM Bulletin* (Aug 2017), 46-50.

[31] Kemp, D., & Owen, J. R. (2018). The industrial ethic, corporate refusal and the demise of the social function in mining. *Sustainable Development*, 26(5), 491-500.

grouped, like corporate affairs. Commentators and practitioners agree that for the function to be effective it must be represented at the highest levels of the business to inform decision making.

The term social performance also contains a conceptual dimension, pointing to a set of normative values about how mining companies should behave as responsible corporate citizens. Thus, the term implies something that can be measured – how well or poor a company 'performs' in relation to societal expectations, or codes and standards for responsible mining. A second major strand of literature is therefore concerned with analysing and critiquing the social performance of specific companies or the industry at large. Many of these publications present detailed case studies of companies or mining regions, highlighting social performance gaps and the harms that are created. Of relevance for this study on SIA in mining, are those works that focus on the gap between corporate promises (the policies, standards and pronouncements) and the actual practices on the ground.