



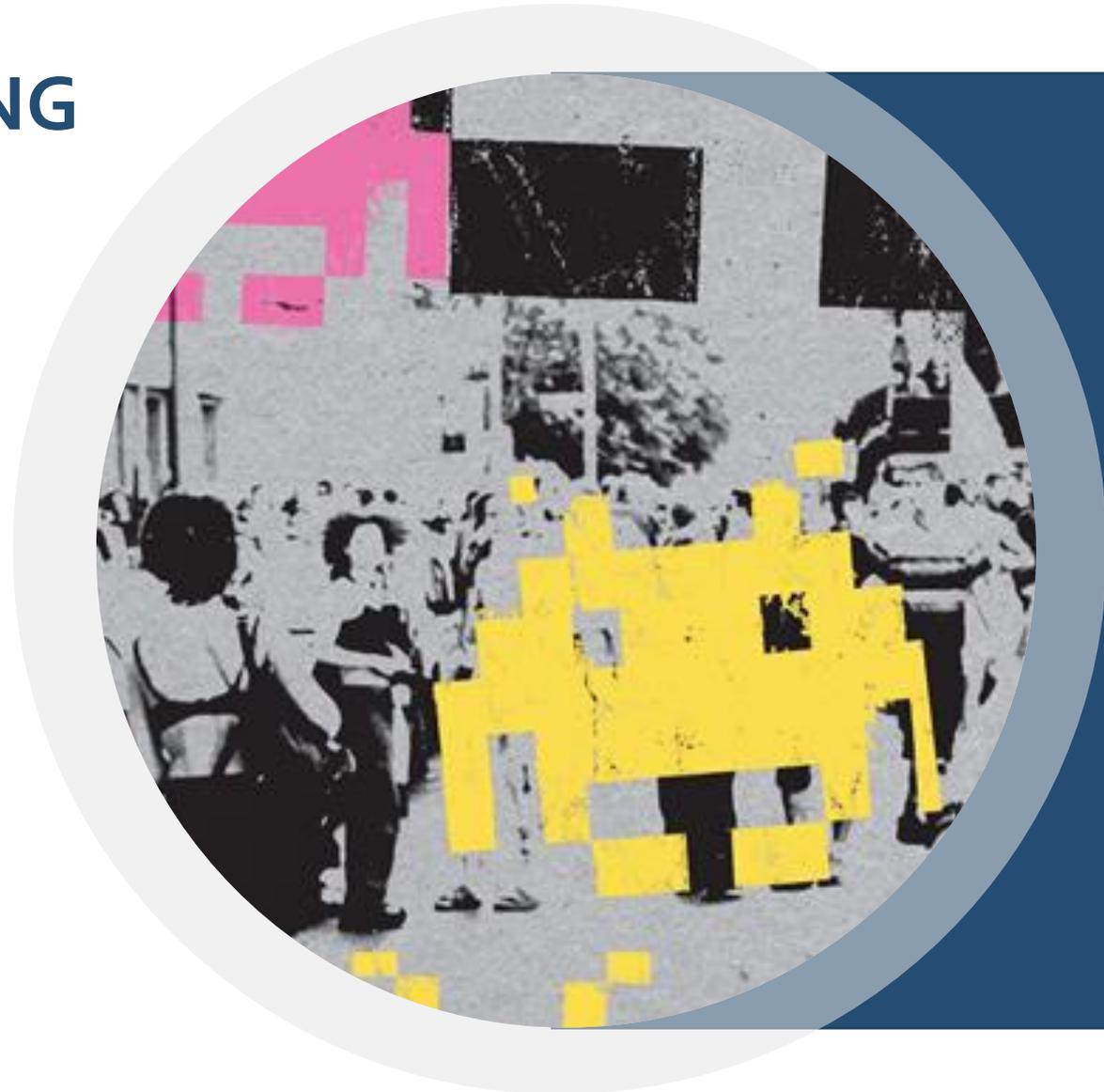
OPTIAS SEROI – REPORTING

HOW WE DO SOCIAL, ECONOMIC AND
ENVIRONMENTAL IMPACT ANALYSIS

OPTIAS SEROI-REPORTING

Governments and businesses require an understanding of the social, environmental and economic impacts of their activities.

The Optias SEROI-reporting program responds to these priorities with a structured, evidence-based approach synthesized from leading methodologies around the world.



SEROI PHILOSOPHY

For any given strategy, policy or project, a cost-benefit analysis measures the ratio between the inputs and outcomes. Typically inputs can be easily measured in monetary terms, but this is generally not the case for social and environmental outcomes.

The SEROI approach identifies social and economic outputs that can be measured in monetary terms and stand as proxies for the outcomes sought. There are two fundamental requirements in this process 1) provide a sound evidentiary basis for the existence and nature of a link or correlation between the output and the outcome and 2) ensure that this linkage or correlation is supported by key stakeholders.

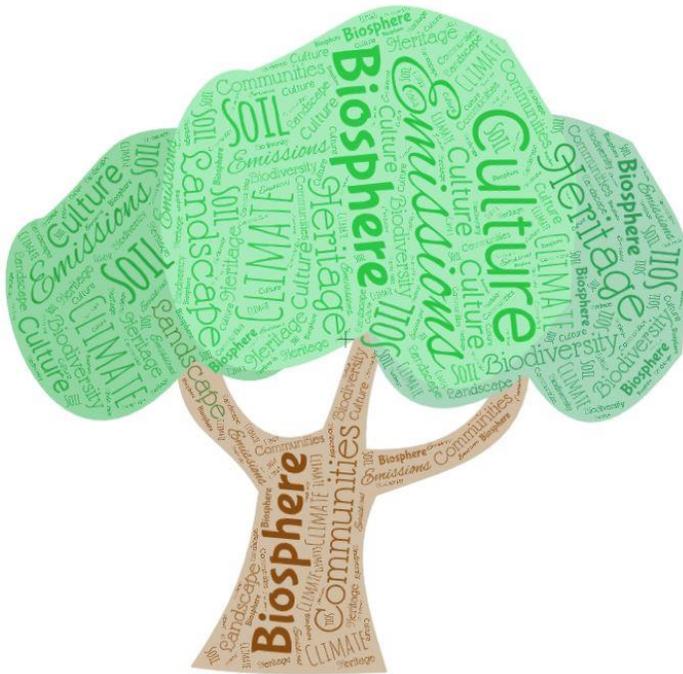


PHASE 1 - SCOPING



SCOPING

Using a predefined checklist helps overcome the common issue of missing impacts. We check through a list of more than 20 categories of social and environmental impact to identify potential impacts. Each of these categories comprises at least 7 impact criteria. This process identifies some potential impacts, those to be investigated are confirmed through a stakeholder engagement process.



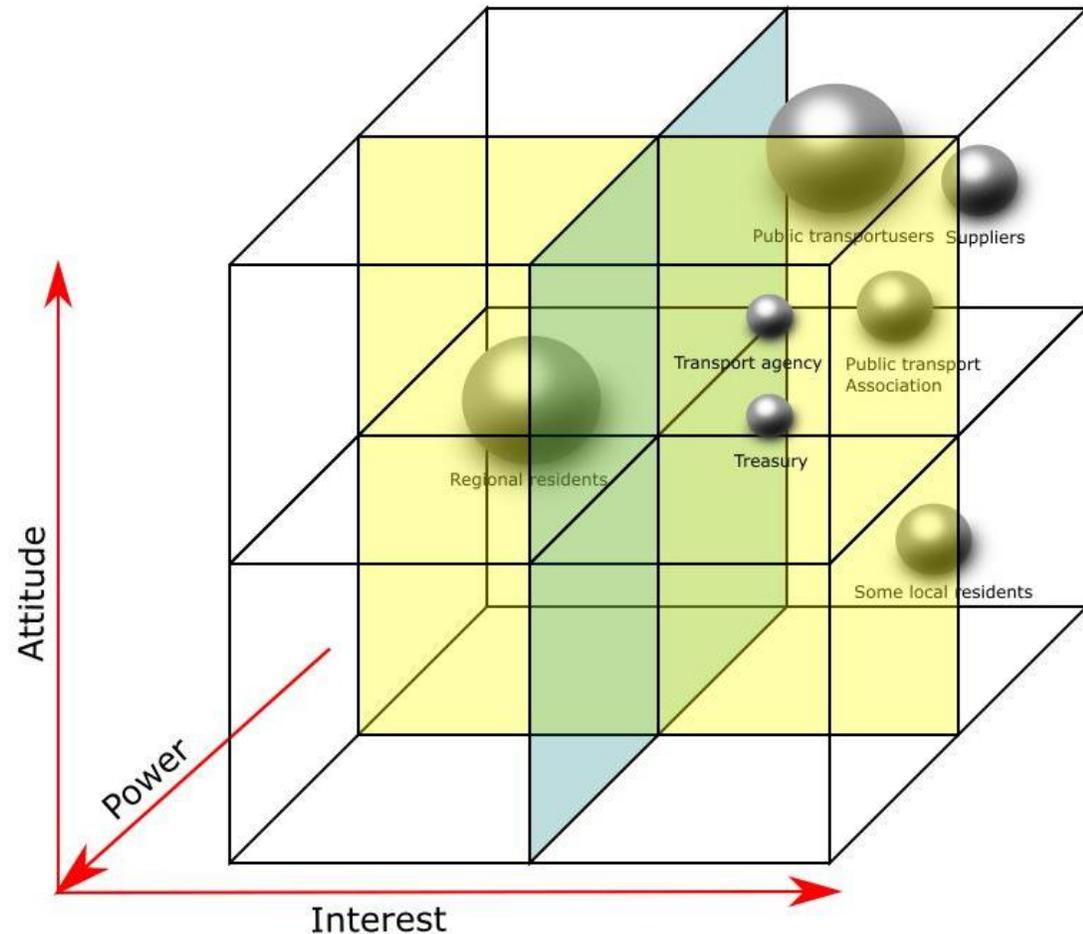
STAKEHOLDER ENGAGEMENT

After identifying all potential impacts, stakeholders are interviewed to There are two primary reasons to engage stakeholders in the SEROI process:

- To identify the key issues that need to be considered in the SERIO process.
- To provide some of the data used in the analysis of social, environmental and economic impacts.

Stakeholders are categorised into different groups based on their power, influence and attitude in relation to the initiative (adapted from [1]). This serves two purposes:

- It enables us to identify those stakeholders who should be interviewed in relation to scoping the assessment. Those from sectors with high interest and power are the most relevant for these interviews.
- It forms the basis of the stakeholder communication strategy developed as part of the overall management of the program.



DEFINING POPULATIONS

Relevant population(s) could be defined by geography, attributes, experience or any other criterion relevant to an investment. Some examples of the populations of interest to projects undertaken by Optias include:



SOUTH GIPPSLAND HIGHWAY REALIGNMENT

Affected populations include 10,600 road users who use the road each day, most of whom would be from the 28,703 residents and 11,157 people employed in 3,704 businesses in the Shire of South Gippsland.



IMPROVING CANCER TREATMENT

A major cancer centre networking with local providers to bring improved services to the 2,055 people from Gippsland diagnosed with cancer each year.



IMPROVING PHILLIP ISLAND TRANSPORT

Reducing congestion at major tourism locations and the approach to Phillip Island. This has social impacts for the 10,387 residents and the 3.5 million annual visitors to the island.



PREVENTING FLOODING OF CENTRAL DEBORAH GOLD MINE

Ensuring that the Central Deborah Gold Mine could keep operating would be important for the population of Bendigo (110,000), tourism workers in Bendigo (2,880) and the visitors to Bendigo each year (approximately 3.5 million).

PHASE 2 - DATA GATHERING AND ANALYSIS



DATA GATHERING

Data gathering is driven by the scope defined through the initial stakeholder engagement program. Optias uses a wide range of tools to gather data during this phase. A variety of different tools is highly desirable in efforts to address bias.



Workshops



Desktop research



Sentiment analysis



Stakeholder engagement



Surveys

ESTIMATING MONETARY SOCIAL AND ENVIRONMENTAL IMPACTS

Environmental and social values do not have a market by which prices can be independently established. Providing a valuation of such values requires more indirect methods, such as the use of proxies or willingness to pay. Some examples of the use of such tools are:

- Use of weekly earnings to value loss of time in traffic congestion [2] .
- Valuing ecosystem services provided by trees [3].
- Willingness to pay for food safety [4].
- Stated preference, revealed preference, and subjective well-being [5].
- Accounting for externalities [6].
- Measuring wellbeing [7].

SOURCES

1. Ruth Murray-Webster & Peter Simon (Lucid Consulting): [Make sense of stakeholder management with sensible stakeholder mapping.](#)
2. [Australian Transport Assessment and Planning.](#)
3. [i-Tree](#), a set of tools for assessing and managing forests and community trees.
4. K. Sundström and H. Henrik Andersson (2009): [Swedish Consumer's Willingness to Pay for Food Safety](#) - a Contingent Valuation Study on Salmonella Risk. Working Paper 2009:1. Agrifood Economics Centre.
5. D. Fujiwara and R. Campbell (2011): [Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches.](#) HM Treasury.
6. KPMG (2014): [A new vision of value.](#)
7. D. Fujiwara, K. Keohane, V. Clayton and C. Maxwell: [Measuring Social Impact: The Technical Reference Paper](#)



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