Rethinking Impact Assessment: From Compliance Tool to Platform for Social Value Creation

By Katherine Teh, Executive Chairman, Spektrum

Abstract

Stalled resource projects are not merely the result of technical or regulatory constraints. Many have been immobilised by outdated cultural assumptions and the misuse of Social Impact Assessment (SIA) as a performative or persuasive tool rather than a genuine accountability mechanism. This paper argues for a strategic reset. By examining the legacy of Decide-Announce-Defend (DAD) cultures and reframing SIA through a DAVE (Declare Dilemmas-Acknowledge-Vision-Evaluate) lens, we explore how trauma-informed, outrage-aware approaches can convert social friction into a platform for healing, trust, and project legitimacy. Spektrum has embedded this philosophy across its business model, repositioning SIA as a participatory mechanism to unlock value, co-design outcomes, and transform stranded assets into shared futures.

1. Introduction: The Cultural Stalling of Resource Projects

Resource projects today are not just being delayed by regulatory complexity or technical limitations. They are being immobilised by a development paradigm that is no longer fit for purpose. Across jurisdictions, there is mounting evidence that the root cause of stalled approvals lies in legitimacy failure—where communities withdraw trust and regulators respond with hesitancy.

This legitimacy gap is largely driven by a cultural posture we describe as DAD—Decide, Announce, Defend. It reflects an organisational instinct to control the narrative, frame engagement as risk mitigation, and position SIA as a tool for persuasion rather than accountability. Under this model, developers focus on technical risks that can be engineered away, while psychosocial impacts, trauma, and lived community experience are routinely minimised or dismissed.

The result is a spiralling cycle of outrage, defensiveness, and regulatory paralysis. Projects that are technically feasible become socially unviable. Approvals stretch across decades. Trust erodes on all sides.

This paper offers an alternative. Spektrum's work is built on the belief that SIA should not be a compliance checkbox, but a regenerative practice—a design tool for restoring trust and building partnership. Through the lens of DAVE—Declare dilemmas, Acknowledge the truth of all parties, build a shared Vision, and Evaluate outcomes—we reposition impact assessment as a lever for legitimacy and a catalyst for shared futures.

2. From DAD to DAVE: Strategic Realignment for Impact Assessment

Legacy impact frameworks reinforce DAD cultures that isolate proponents from the communities they affect. The DAVE approach (Declare-Acknowledge-Vision-Evaluate) offers an alternative logic, founded on co-creation and transparency. Instead of justifying decisions, DAVE begins with surfacing dilemmas, acknowledging the perspectives of all parties, building a unifying vision, and setting measurable outcomes through reverse-engineered KPIs.

Element	DAD Posture	DAVE Posture
Organisational Role	Compliance-seeking	Trust-building
Assessor Function	Technical verifier	Co-designer of social legitimacy
Use of SIA	Defensive artefact	Strategic accountability platform
Accountability	Procedural	Participatory and adaptive

By embedding DAVE into its company DNA, Spektrum has shifted SIA from a tick-box exercise to a collaborative design mechanism. We believe that the only path to faster, more reliable approvals is through earlier, deeper, and more emotionally intelligent alignment—not by skipping steps, but by doing them differently.

3. The Cultural Cost of DAD: Mutual Outrage and Systemic Paralysis

The DAD model doesn't just provoke resistance from communities—it also traps proponents, politicians and regulators in cycles of mutual frustration. Developers become resentful that their "compliance" is not enough. Regulators fear backlash. Politicians want to see projects fast-tracked and can't understand that despite many decrees the outcome is not faster approvals. Communities feel their experience is being invalidated. Each party retreats into its defensive posture, and the process grinds to a halt.

What's more, when companies like Spektrum advocate for shifting the development model—starting with listening, transparency, and co-creation—we encounter outrage from within our own sector. Senior executives, legal advisors, board members, and even seasoned consultants can perceive this as weakness, capitulation, or an existential threat to authority. The outrage is not just external—it's internal.

This reaction is understandable. It stems from a deep belief that projects are rational exercises, and that fairness is guaranteed through process and compliance. But our experience has shown that legitimacy cannot be engineered. It must be co-created.

We address this by building cultural fluency within our teams and our partners. We help people understand that outrage—on all sides—is not irrational. It is a signal of unmet expectations, power imbalance, and often unresolved trauma. Our approach doesn't eliminate conflict, but it enables it to be addressed productively.

---

4. Why Projects Stall: Cultural Gaps that Immobilise Assets

Stalled projects like Thacker Pass, Stibnite, Twin Metals, and Graphite Creek are often mischaracterised as victims of regulatory inefficiency or activist opposition. But a deeper diagnosis reveals a shared root cause: failure to build early legitimacy.

These projects were technically sound, often fully permitted, but lacked social alignment. In each case, communities did not see themselves reflected in the project's values, priorities, or governance. Concerns over water, heritage, cultural integrity, and economic inclusion were often treated as peripheral, or addressed too late.

Spektrum's Development by Consent model would have:

- Mapped outrage and legitimacy risk at the outset

- Facilitated dialogue on dilemmas, not just mitigation plans

- Translated emotional truths into design and investment decisions

We believe this model can reduce permitting timeframes from the 29-year average in the U.S. and the 20-year average in Australia to fewer than five years—if legitimacy is prioritised early. In a world racing to secure critical minerals, this is not just desirable. It is necessary.

And beyond speed, there is something deeper at stake. The current extractive model often reproduces what has been described as the "resource curse"—where mining brings wealth to companies but leaves communities fractured, disempowered, or worse off. This isn't inevitable. It's the result of systems that exclude community voice from the design and governance of development.

By contrast, SIA as envisioned by Spektrum becomes a tool for reversing the resource curse. It enables shared decision-making, unlocks new social value, and transforms extraction into regional renewal.

---

5. SIA as an Accountability Engine

SIA must evolve beyond its technical roots. Too often, assessments centre on quantifiable impacts—noise, dust, employment numbers—while overlooking the very dynamics that define whether a project will succeed or stall: trust, trauma, identity, and

perceived fairness. These are psychosocial risks, and they are rarely accounted for in traditional SIA frameworks.

At Spektrum, we treat SIA as a psychosocial listening tool—an infrastructure for surfacing emotional, relational, and historical dimensions of risk. It helps uncover not just what people think, but how they feel. Not just what's broken, but what might heal. And not just what a project might deliver, but what a community is willing to receive.

Our method captures:

- Emotional flashpoints (e.g., fears of betrayal, historical injustice)
- Social fragmentation indicators (e.g., intra-community division, leadership trust)
- Invisible burdens (e.g., cultural loss, decision fatigue, symbolic harm)
- Resilience assets (e.g., local leadership, values alignment, shared aspirations)

At Spektrum, we also embed:

- Biennial reviews focused on trauma recovery, benefit equity, and governance integrity
- Social Learning Panels that allow community-defined metrics of success to shape implementation
- Decision-making frameworks that ensure community voices remain active throughout the life of the project

The SIA becomes a living document—iterative, responsive, and community-facing. It holds us to account, and in doing so, builds resilience into the project's DNA.

---

6. Consent as Strategy: Redefining FPIC

Free, Prior and Informed Consent (FPIC) is often misunderstood as a barrier or veto. But in Spektrum's model, FPIC is a pathway. It is not a hurdle to be negotiated, but a foundation on which viable, accelerated development can be built.

When applied early and in good faith, FPIC:

- Reduces litigation, delays, and political backlash
- Creates social capital that can withstand conflict
- Aligns project pacing with social readiness

We engage Traditional Owners not as consultees, but as co-developers. We begin with cultural listening, integrate Indigenous definitions of value, and honour the right to self-

determined development. We apply FPIC even when not legally mandated—because it is strategically smart, morally sound, and financially effective.

7. Culture as Business Infrastructure

To succeed in contested contexts, we must build companies differently. Using Hofstede's Multi-Focus Model, we diagnosed the dominant culture of mining proponents—risk-averse, control-heavy, and siloed. Then we built a culture that served our objective – to develop in alignment with the community so we could create maximum value creation for Indigenous, the government, the community and the government as well as our shareholders.

Our culture is open, adaptive, and designed to perform in high-conflict, high-stakes settings. It is not abstract. It is operationalised in decision-making, incentives, and governance.

Dimension	Traditional Culture	Spektrum Culture
Effectiveness	Risk-averse, rules-bound	Goal-oriented, adaptive
Orientation	Internally focused	Externally accountable
Control	Hierarchical, rigid	Flexible, principle-led
Focus	Siloed, loyalty-driven	Long-term, diverse, critique-friendly
Approachability	Opaque, defensive	Transparent, feedback-driven
Management Philosophy	Output-focused, low support	People-centred, consultative

Cultural fit for our business model is the key to how we unlock value, reduce risk, and deliver enduring outcomes.

8. Conclusion: From Extraction to Co-Creation

The future of mining lies in legitimacy. The industry cannot scale responsibly without cultural, social, and institutional alignment.

To get there, we must:

1. Reform regulation to mandate psycho-social, outrage SIAs

2. Shift proponents from DAD to DAVE logic

3. Create a unifying vision for social value creation to be possible with the development of a mine

4. Embed SIAs into ongoing tools for community governance as a standard practice

5. Recognise that shared design is not a delay—it is a strategy for speed, trust, and value

Social Impact Assessment, when reclaimed and reimagined, is not a burden. It is a blueprint for accelerated approvals, enduring partnerships, and resource development that respects people as much as it extracts minerals. Spektrum's work is an invitation to the sector to lead with legitimacy—and deliver the minerals the world needs, in a way the world can trust.

References

• Ailon, G. (2008). Mirror, mirror on the wall: Culture's consequences in a value test of its own design. *Academy of Management Review*, 33(4), 885–904.

• Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach.

• Futureye (2014). Government Social Licence to Operate Handbook.

• Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and Organizations: Software of the Mind* (3rd ed.). McGraw-Hill.

• Hofstede Insights. (n.d.). *The Multi-Focus Model on Organisational Culture*. Retrieved from https://www.hofstede-insights.com/models/organisational-culture/

• Houston, S. (2011). The Resource Curse: Emerging Theories and Approaches. Futureye.

• Kemp, D., Owen, J.R., Lèbre, E., & Kung, A. (2019). A process for screening social incidents in the global mining industry: A concept note. Centre for Social Responsibility in Mining, Sustainable Minerals Institute, The University of Queensland: Brisbane.

• Laidlaw, P., & Schillaci, D. (2024). Rights-based Development and Psychosocial Risk: Embedding Outrage Awareness into Impact Assessment. Internal Working Paper, Spektrum.

• McGrail, S., Halamish, E., Teh-White, K., & Clark, M. (2012). Diagnosing and anticipating social issue maturation: Introducing a new diagnostic framework. *Futures*, 44(6), 559–572.

• McSweeney, B. (2002). Hofstede's model of national cultural differences and their consequences: A triumph of faith – a failure of analysis. *Human Relations*, 55(1), 89–118.

• O'Faircheallaigh, C. (2010). Public participation and environmental impact assessment: purposes, implications, and lessons for public policy making. *Environmental Impact Assessment Review*, 30(1), 19–27.

• Sandman, P. (1993). *Responding to Community Outrage: Strategies for Effective Risk Communication*.

• Teh, K. (2011). *Social impact assessment as a participative planning process*. YouTube video.

• Turner, C., Teh-White, K., & Clark, M. (2015). *The Age of the Curve Hugger: Why Society Expects Sustainable Innovation from Your Business Now*. Futureye.

• Vanclay, F. (2003). International Principles for Social Impact Assessment. *Impact Assessment and Project Appraisal*, 21(1), 5–11.