Managing stakeholder interests: How to manage complex and competing expectations

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One of the most complicated parts of managing contaminated sites is ensuring that all stakeholders remain looked after. While keeping every stakeholder happy is not always possible, keeping abreast of and tending as best as possible to the needs of stakeholders is vital. This paper examines the process for managing the complex and competing expectations of stakeholders, in the context of two case study sites, both classified as *Contaminated – remediation required* under the Western Australian Contaminated Sites Act 2003 (the Act).

A site which has been affected by contamination originating offsite has more stakeholders than a site where a site owner/operator impacts their own property. In the latter example, relevant stakeholders are often restricted to the landowner, the occupier and the regulator. Where offsite impacts to a third party site occur, stakeholder management becomes much more complex. If contamination migrates from a site to affect off site land parcels the site is considered to be a source site, and in addition to the three stakeholders already identified, a Department of Environment Regulation (DER) accredited contaminated sites auditor must be appointed as mandated by the Act. Furthermore, all land owners and occupiers of the affected land parcels must be considered. If this includes road reserve or public space this immediately brings in local government and the relevant government agency in charge of maintaining the affected infrastructure. And finally, dependent on the nature of the contamination and the extent of the migration, the community in general may have an interest in the site.

Schedule B8 of the *National Environment Protection (Assessment of Site Contamination) Measure 1999* (as amended 2013) provides a step-by-step guide to community engagement and risk communication, which was followed in the undertaking of stakeholder management in relation to our case study sites.

The first study site is located in a small town in the wheat belt of Western Australia with a population of approximately 1,300 (Australian Bureau of Statistics, 2015). The town is predominantly a farming community, with several supporting commercial enterprises within the town center. The site itself is a former service station which is currently vacant land zoned as town centre. The site was decommissioned with the majority of soil impacts remediated and validated in excess of a decade ago, but groundwater beneath the site was impacted by a dissolved phase hydrocarbon plume which extended offsite approximately three hundred meters down hydraulic gradient. The dissolved phase plume was delineated and extended from below the site itself; affecting an adjacent masonic hall and residential property; through the road reserve (including the open space which under the relevant town planning scheme was zoned as road reserve); and underneath several commercial/industrial properties. Soil vapour sampling indicates that there was no vapour plume associated with the identified groundwater impacts, and human health risks assessments undertaken for each individual land parcel demonstrate that there was no unacceptable risks to human health. Groundwater in the vicinity of the site was hypersaline (as typical for the region), with total dissolved solids averaging approximately 21,000mg/L; well above all beneficial uses, and as such there was no known extraction bores within any appreciable distance of the site. To the north northeast of the site there is a river, however, at 1.5km away, this was well beyond the delineated extent of the plume.

As there was no complete exposure pathways in relation to the identified impacts, and therefore no unacceptable risks presented to human health or the environment, the site and its affected properties should be suitable for a risk based closure approach as per guidance in the Act. However the default position of the regulator in Western Australia is to insist on a re-classification target of *Decontaminated* for any affected property, an end-point which in this case was not practical due to the extent of the plume. As such, the main issue directing the progress of assessments and remediation of the site is the management of stakeholder expectations, rather than the management of risk.

The second case study site (site two) is a currently operational service station in an industrial area of Perth, Western Australia. The service station was operated by a different petroleum company to the original polluter, a former tenant of the site who is ES' client. Site two has a typical dissolved phase hydrocarbon plume which has migrated offsite to affect a road reserve, managed by Main Roads WA. As the site is a source site, a DER accredited contaminate sites Auditor has been appointed to oversee the assessment and management of the site. Similar to site one, site two has a fully delineated plume, and an Auditor endorsed health risk assessment indicating no unacceptable risks to human health, and therefore should be suitable for risk based closure. Once again, the main issue directing the progress of assessment of the site is the management of stakeholder expectations, rather than the management of risk. Whilst site two has fewer affected properties and therefore fewer stakeholders than site one, the management of stakeholders is complicated by the involvement of two

different petroleum companies, and a land owner (the land lord of the current tenant operating the service station) who wants to sell the site as a matter of priority.

Figure 1 (below) indicates just some of the ways which a consultant, acting on behalf of the original site polluter, can be "pulled" in different directions based on competing interests; with more complex sites having more stakeholders and therefore greater competition for the consultant's time. When managing a site the consultant will be directed by many different factors which can be difficult to balance. Do you prioritise your client's interests? If you do not service the client to a level that they are happy with they have other options. However, the peril of only advancing your clients interests is that this may cause annoyance for the other stakeholders, which will be to the eventual detriment of your client's interests. For example should you ignore the interests of the affected site operator they may not allow access to the site, which can mean a formal legal access agreement is required; which indirectly increases the time and costs associated with the site remediation. Likewise the regulator is the only stakeholder with the power, within the Western Australian system, to reclassify the site under the Act. Putting the regulator offside by not engaging early and providing timely updates can ultimately cause delay in the backend of the project which can prevent the potential sale or reclassification of the sites.
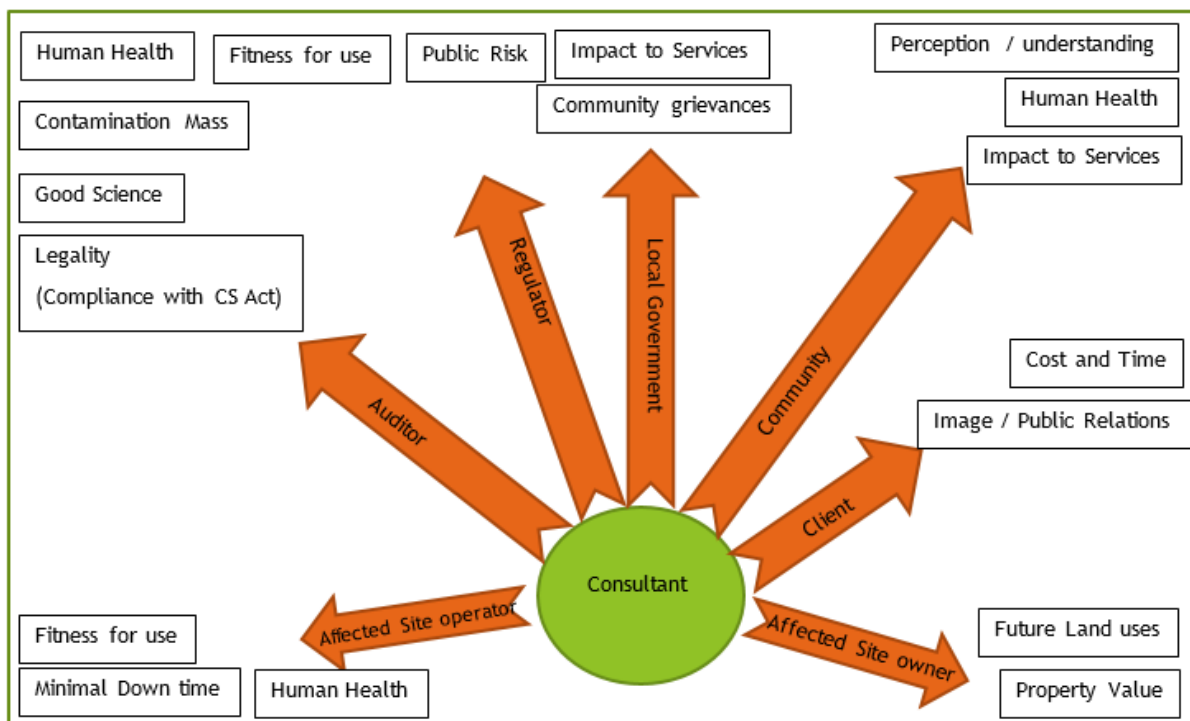

Figure 1 various stakeholders and the different interest they are compelled by, from a consultant's view point.

There is no simple answer to the question "*How to manage complex and competing stakeholder interests*", however the most important factor is that the engagement and management of stakeholders should start as soon as possible and continue throughout the site assessment and remediation process.

In both instances documented in this paper, the key, overall purpose of the stakeholder management was to negotiate acceptance of risk based closure for the source site and affected properties.

The first step in successful management of stakeholders for both sites was to identify all of the relevant stakeholders. There were several key questions to answer. Who was affected? Who perceived themselves to be affected? How were they affected – potential health risks; impacts to property value; loss of amenity? How far would the community interest in this project extend?

The most important thing that can be done to ensure that all stakeholders are identified correctly is to develop a comprehensive conceptual site model. Developing a conceptual site model is the best way to determine all relevant sources, pathways and receptors, and to assess what plausibly complete exposure pathways exist, if any. By having a robust and comprehensive conceptual site model you are able to determine any relevant stakeholders that may have been missed in initial consultations, or stakeholders whose input can be subsequently minimized. By knowing who is affected and how, a decision can be made as to what information needs to be provided, to who, and how fast. The potential for harm to human or environmental health should be a driver for even the more miserly clients to act quickly. Detrimental impacts to both human and environmental health are very costly in terms of money, time and public image, especially when they are not adequately communicated. A conceptual site model also allows for any data gaps that may exist to be speedily identified and closed by the collection of additional, targeted data.

For case study site one, potential receptors identified in the preliminary conceptual site model were automatically considered stakeholders. As a small farming community, it was acknowledged that the broader community would also likely be interested in the happenings at the site. The preliminary conceptual site model also identified that the possibility of a vapour plume was a data gap that had not been appropriately investigated. A Sampling and Analysis Plan was quickly developed and reviewed by the Auditor to close out this data gap, and refine the conceptual model. Once the data gaps were closed, it became evident that (as previously mentioned) that there were no plausibly complete exposure scenarios in relation to the site, and therefore no human health risks to manage. As a result of this information, ES were then able to communicate confidently to the identified stakeholders that there were no potential risks to human health or the environment, and then prioritize the assessment and close-out of sites based on other factors.

ES hosted a community forum with all the stakeholders (to which all residents of the town where invited) to communicate the plans for the assessment and management of

the site, and allow a forum for the airing of any community concerns. In a very general sense the more sensitive the land use of an affected property, the more priority the regulator and community are likely to put on that site and the quicker it should be addressed. For example if a residential property and an industrial property are both equally effected by migrating groundwater impacts, the priority in most cases should to be have the more sensitive land use site assessed and/or remediated first. In the case of site one, this meant the owners of the masonic hall and residential property became ES' priority stakeholders, rather than the commercial/industrial land owners who were comfortable that their land was suitable for ongoing use. After consultation with the local Shire, road reserve and public open space were considered to be the lowest priority affected sites.

For both of our case study sites, risk assessments had identified acceptable levels of risk to human health and the environment, and therefore the focus of stakeholder management turned to other factors such as loss of amenity, and loss of property value. As such the focus of community/stakeholder engagement shifted from the initial "accurate communication of risk" to the presentation of an "action plan to achieve site reclassification, and address issues relating to nuisance, loss of amenity or loss of property value."

The nuisance factor was of particular relevance to stakeholder management for site two. The land owner had leased the site to ES' client who had (inadvertently) caused contamination at the site. Whilst ES had demonstrated via risk assessment that the site was suitable for continued use as a service station, and that impacts were reducing, a speedy site re-classification was required to allow the landowner to sell the site. This was because the interested buyer whilst wanting to continue to utilize the site as a service station, did not want to purchase a site with a *Contaminated – remediation required* classification due to the inherent risks associated with this classification. Therefore, quite unusually, ES' priority stakeholder became the source site owner (who was not the polluter nor ES' client) rather than the affected site owner. This particular case study highlights the manner in which stakeholder needs and expectations can rapidly change, requiring fast response from consultants in how they are managed.

There are few hard and fast rules for the best way in which to engage stakeholders and manage their expectations as it varies widely from project to project. However providing some sort of information to the identified stakeholders with regards to at least the plan for the dissemination of further information can be anticipated to be the minimum that will be required. There is a fine balance about what information to divulge at what level and to whom. By giving too much information to a stakeholder they may feel that they are being overwhelmed by unneeded information, but too little data and stakeholders may feel something is being hidden from them. Likewise, the client company may have legal requirements about disclosing information, and these legal requirements should be ascertained prior to giving out any information or releasing any reports to third parties; including the regulator and the auditor.

Once stakeholders have been adequately identified, prioritized and a consistent and relevant "message" determined, the method for the dissemination of this message must be ascertained. What is the most appropriate way of delivering materials in a matter then not only passes on the information but is also informative and delivers the information at the right level? The answer to this is, obviously, stakeholder dependent. For instance, information provided to the Auditor this will be in a form dictated by the regulator in a reporting guidance (in this instance the Department of Environmental Regulation (WA) *Assessment and Management of Contaminated Site"* (2014)). However regular updates should be given and input sought from the Auditor to ensure that the project is moving forward in an acceptable way. The official reports should not be the only form of communication.

On the other hand, information provided to community stakeholders should generally be less technical, and focus on the issues that you have previously ascertained are important to them. For site one, ES initially engaged with the community through a face to face meeting, as a getting to know you exercise, and to develop a trusting relationship with the community. As the project progressed and stakeholders were comfortable that human health risks were not an issue and that progress was being made, engagement method shifted to the provision of key information through a quarterly community newsletter. This newsletter covers the works that have been completed that quarter; a summary of relevant results; and the plans for the coming quarter. Stakeholders were also provided with the name and direct phone number of a contact at ES whom they can call with any queries or complaints.

The case study of site two also highlights the importance of regular communication with DER and the Auditor. The decision by the land owner to sell the site was made quite suddenly, with site reclassification required to facilitate the completion of sale within three months. Had the Auditor and DER not been engaged early on and kept abreast of the direction of investigations then a three month time frame for re-classification would not have been achievable.

Perhaps one of the most important facets of effective stakeholder management is incorporating a feedback and evaluation process. This is also required by the WA guidance on community engagement *Assessment and Management of Contaminated Sites Guidelines* (DER, 2014). In both case studies provided, ES preferred to provide a complaint handling method which provided immediate feedback to the stakeholder with the grievance. This was as simple as providing a direct phone number to the project manager familiar with the project. Whilst this method is simple, it allows complaints to never "fall on deaf ears". Once feedback was provided, it was documented in the projects communication log and, when necessary, escalated to other relevant parties. The project communication log includes an "action required" section, which requires the completion of what the next steps are, who is responsible for them and by when. The documentation of queries, complaints and /or feedback in this way also allows for any common or recurring themes to be identified and dealt with in a timely fashion.

The most essential component to a feedback loop is ensuring that feedback is given to the stakeholder. Figure 2, below, indicates the steps ensuring that grievance are properly dealt with.
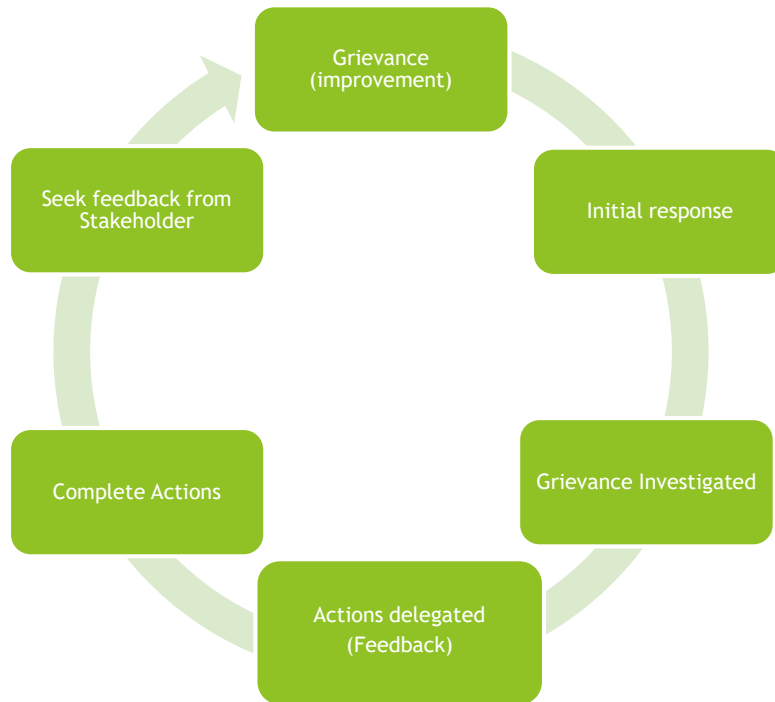

Figure 2 Feedback cycle for grievance management

Feedback about management of grievances, enquiries and complaints should always be sought from stakeholders to ensure continuous improvement of not only management of the site but the grievance management system itself.

There is clearly no one size fits all answer to the question of "How to manage complex and competing expectations?" Some sites may need in-depth complex management, while others may need little to no third party stakeholder engagement. However, no matter the level of stakeholder management required for the site there are a number of facets to stakeholder management that are always required. Having in place an in depth knowledge of the nature and extent of contamination at the site and a robust conceptual site model a lays a strong foundation to being able to preempt stakeholder needs and priorities. Knowing your site well will allow the dissemination of accurate and timely information to stakeholders, as well as allowing the development of appropriate actions and realistic timeframes. Finally, engaging early and frequently with decision making stakeholders such as the regulator and the Auditor is essential to meeting the

complex and competing needs and expectations of other site stakeholders, particularly as the contaminated sites industry moves towards acceptance of risk based closure outcomes.

Human Health

Fitness for use

Public Risk

Impact to Services

Community grievances

Perception / understanding

Human Health

Impact to Services

Contamination Mass

Good Science

Legality
(Compliance with CS Act)

Regulator

Local Government

Community

Auditor

Cost and Time

Image / Public Relations

Client

Consultant

Affected Site operator

Affected Site owner

Fitness for use

Minimal Down time

Human Health

Future Land uses

Property Value