

A discussion paper on Social License and the role of TCA

A definition of Social license

There are no doubt many definitions of what social license is, I have not gone looking for these because this discussion is written in terms of TCA's understanding of social license based on our experiences and observations of our sector and its successes and failures in this arena over nearly 30 years,

Social license is the permission that the community gives an operator (public or private) to use a community resource either for profit or not for profit, once it (the community) has reached a level of comfort that the costs to the community associated with that use are acceptable to the community relative to the benefits.

For further explanation of this definition see appendix 1.

So how does one get and maintain social license?

Social License by Government mandate?

State and Federal Governments win the power to govern with the support in reality of around 25% of the population, usually largely based in the major cities.

Approximately 60% of the population votes, roughly 42% of those who vote, vote for each of the major parties, the rest vote for one of the minor parties. So the major parties hold about (84% of the vote between them).

So a major party forms government on the basis of the votes 42% of the 60% of the population that actually votes, or in fact about 25% of the whole population.

Of course this is a very rough analysis and there are many other considerations in determining what percentage of the population may or may not support any particular policy decision, the point however is that it is a very low percentage if governments rely on electoral mandate alone for social license particularly if the election was not fought over the particular issue.

It is little wonder then that there is often wide ranging disagreement with government decisions especially in rural regions and it follows then that having won Government does not equate to having earned Social License or broad community approval for in our case any particular forest decision whether it be considered positive or negative from your particular perspective.

Social license by trust in Government?

In fact when talking about Government's ability to deliver social license, the picture gets even worse.

There was a time when the community respected and trusted governments to the point where a Government license to operate did indeed provide the recipient with both a legal and social right to operate.

These days are long gone, the community have witnessed far too many instances of the politicisation of decision making by Government simply for reasons of maintaining sort term political influence rather than for the long term good of the community or for that matter even the correct outcome for the particular community assets and stakeholders.

As a consequence sections of the community now no longer respect or trust government decision making processes no matter how much they seek to consult and engage with community.

The fact that efforts by government to consult and engage often appear insincere and disingenuous has of course only compounded this distrust.

Further, the many instances where community based challenges to the simple legality of government processes and licenses have been successful, has further added to the community distrust of government and the competency of government processes.

Social license through government.

It is not hard then to understand that for an industry, being awarded a legislative license to operate by Government, does not also equate to a Social License to operate, it often doesn't even equate to a sustainable legal right to operate.

Just ask the good folk of the red gum industry in the NSW Riverina, to cite a recent example.

Both government and industry need to understand that they must earn the Social Licenses they require to operate.

Until both do, the spectre of communities standing up against the activities of both will continue to be a common part of the Australian political and community landscapes.

Governments cannot assume that simply winning an election gives them a social license or mandate beyond those issues over which the election was actually won.

Industrial and commercial operators can no longer assume that legislated government licenses provide an automatic right or social license to operate beyond a simple legal entitlement.

Changed demographics!!

Changing social attitudes and the demographic make up of both the general community and of rural communities are also significant factors when understanding the issue of social license.

There was a time when in rural communities in particular, the “rights” of government through their electoral mandate was seldom questioned where it related to the management of resources such as forest and other natural values.

Government politicisation of these management “rights”, including outright mismanagement, as well as changing community attitudes and values, and changing community membership has over the past three decades, meant that many rural communities along with urban communities nowadays more frequently question governments “right” to manage, or if not the very right to manage certainly the actual “management” applied.

Many communities nowadays believe that being in government provides a right to make decisions or implement plans, strategies and projects, but only after meaningful community consultation and engagement.

In years gone by, timber communities consisted mostly of people involved in the industry in one way or another or of farmers who for the most part often had a close affinity with the timber industry.

Nowadays there are few genuine timber communities and while some communities still have a high level of dependence on the timber and forestry sectors, most also include many residents who have no such affinity and who “question” the activities of productive forest management both in regard to the actual practices employed and the very right to engage in productive management.

It should not be lost sight of that this “questioning” is not just restricted to the natural forests sector either.

This “questioning” often manifests itself in the form of public disquiet, active obstruction, in field protest, political lobbying and community lobbying in support of attempts to question or delay or indeed halt any productive management or to change government policy eg. MIS, plantations, access to water, access to land, native forest management, fuel reduction and the list goes on.

While some of those promoting this level of “questioning” have broader ideological social objectives and will probably always object, it is the apparent support of their positions from the wider community particularly those in the larger urban and rural centres that lends political weight and relevance to those views and objectives, at least in the minds of our politicians.

Call it social license or whatever set of words you are comfortable with, but until our sectors acknowledges that it has to make a concerted effort to earn the support of both the broader community and the now much different local communities in which productive forest management occurs (native and plantation), it will continue to experience political interference and uncertainty.

This despite the fact that we know that this interference arises from sometimes ill informed and some times deliberately misinformed community disquiet, and sometimes just straight out misunderstandings of the practises and impacts of productive forest management at the local, regional and international levels.

Political expedience - the Fourth Bottom Line.

In many circumstances there is a strong tendency for politicians to defer to the Fourth Bottom line, the political imperative, ahead of the other three, social, economic and environmental, and in doing so to be responsive to the weight of public opinion whether it is, well informed, misinformed or even uninformed.

Lobbying politicians can be like try to put your finger in a dyke. It is a last ditch attempt to hold back the flood rather than averting the flood in the first place.

Yes, it is important to keep the politicians informed but the far more effective insurance is to ensure the level of community pressure they feel is minimised.

There are too many examples to mention, where despite being aware of all the “correct” information and of all the triple bottom line imperatives, politicians have still made decisions based largely on the political imperative (forth bottom line) simply as a result of the weight of public pressure or some other perceived political advantage for example a preference deal.

Again just look at the recent NSW River Red Gum example.

Yes, of course they always try to make it appear that in fact the decision has been driven by a balancing of the triple bottom line considerations, but the fallacy of this is often all too clear.

How then do we reduce the weight of public opinion felt by politicians?

We try to reduce it by keeping the broader community fully aware of and trusting of activities and proposals. This minimises the level of additional “weight” the ideological objectors can attract to promote their objectives at the community and political level.

In circumstances where the weight of public opinion applied to them is not threatening to their forth bottom line considerations and they are aware through direct lobbying of the triple bottom line imperatives, politicians will always want to make the “correct” decisions.

It is the role of industry to ensure that the direct lobbying is done effectively, and of TCA and others to ensure that people in the general public are provided a range of views to help them decide what they think about forestry, rather than being persuaded solely by hearing information that is negative about the sector.

Of course TCA can only fulfil its role effectively if, industry including State government agencies, are in fact not behaving in a manner as to undermine this effort in the first place, and providing it with the necessary support.

Role of Certification

In circumstances where government contracts seldom embody social license, and where communities are increasingly concerned about the impacts of the activities of government or government agencies or commercial operators licensed by government, how then do communities develop comfort about these activities and in

turn convey that comfort (social license) to the broader community, government and industry.

In many respects and increasingly the community has embraced certification as the mechanism that they hope will deliver this level of comfort.

A well constructed certification scheme will not only set minimum standards for operations but will also drive continuous improvement, monitor the delivery of acceptable outcomes in the field through those standards, and provide for meaningful consultation and engagement with interested and affected stakeholders in the development of the standards, the monitoring and reporting of the outcomes and the delivery of continuous improvement.

Where communities are satisfied that a certification scheme delivers these outcomes, certification is becoming a mechanism whereby communities hope to gain comfort and grant social license through reduced “questioning” or “weight of public opinion” in opposition to activities.

For the broad community (interested persons), the simple knowledge that a credible certification scheme that sets acceptable standards is in place often seems enough to gain their comfort. This trend is reflected at the consumer level through the uptake of chain of custody certification.

For local communities (affected persons), the scheme and standard have to actually deliver acceptable results in the field and monitoring of those results needs to be field based rather than systems based, transparent and meaningful. These outcomes need to be delivered at the grower certification level.

Note some schemes attempt to bring the views of the “ideological” objectors into the stakeholder engagement process. While this can be a mechanism to reach consensus, it is also not always successful.

If consensus is achieved then the inevitable “noise” of the ideological objectors is likely to be reduced and is less likely to be amplified by local communities and picked up by the broader community.

If however consensus is not reached, then it becomes all the more important to ensure that local communities are delivered an acceptable level of comfort through the scheme.

If not the objectors will readily get access to local community amplification of their ideological objectives, often misrepresenting the facts and high-jacking the issues to the point where they are able to apply politically influential “weight of public opinion” at the government level.

When this occurs, it is almost impossible to reverse at either the community level or the political level and becomes very much a finger in the dyke, or loss minimisation circumstance.

That situation should be ringing bells with you, think about the RFA's, the TCFA and an innumerable series of other government resource access and other decisions that have impacted negatively on the forest sector, often dramatically so.

Yet because we have not understood how to manage social license, we have had no option but to accept them as loss minimisation outcomes.

Managing Social License

So, if governments seldom enjoy social license, nor can provide it and if communities are increasingly turning to certification in the expectation of gaining the comfort to provide or at least not to withdraw social license, then how can government and industry operators generate social license for their activities.

Clearly one alternative is by supporting the development of, and gaining certification of their operations, and ensuring that their policy decisions are consistent with accepted comprehensive certification schemes which meet community expectations at the local and broader level in terms of the standards they set, the processes they require, and the triple bottom line outcomes they actually deliver especially in the field.

Many industry stakeholders have realised this and have also embraced certification.

Through this process, no longer is government setting the rules about what is acceptable to community, but community is doing this itself, and through mechanisms such as certification schemes are developing those rules together with government and industry.

If these rule are not to be set by the ideological objectors on behalf of the broader community or high jacked then it is important that government, industry and the broader community become actively involved in the development and application of such certification schemes.

And that the managers of the certification schemes are held to the highest levels of scientific and governance scrutiny and review of the schemes and standards by the community.

TCA is well positioned to assist government, industry and the broader community to ensure this level of participation, scrutiny and review is achieved.

In this way, and through direct engagement, they can become stakeholders in the certification standards development process and seek to have input into the standards and processes so developed thus ensuring that such schemes are as practicable and manageable as possible and that they have had a role in their development.

The ongoing spectre of community disquiet over forest management and the resultant politicisation of government decisions are symptomatic of the facts that this is the environment within which our sector and indeed many sectors now operate and that neither industry nor government, nor the broader community, have yet fully understood this nor fully understood how to operate within this environment.

Managing stakeholder engagement – TCA’s role

For a certification scheme and associated standard to be accepted by community as creditable and therefore providing the community with the comfort that it requires to provide or at least not withhold approval (social license) it must by definition include accepted and adequate levels of stakeholder consultation and engagement.

This consultation and engagement will only be successful if those consulted are listened to and their concerns acted upon. The outcome of good community engagement will be trust in forest management systems, with the industry communicating how it manages the forests, and being willing to change any management that is not acceptable to a large number of community members.

Any scheme which does not achieve this objective will be seen by the community as simply another self-serving device of whoever its proponents are and indeed will only lead to further distrust rather than improved trust and approval (social license).

This includes schemes promoted by all sides whether they be government, green, community or industry, supported or sponsored.

TCA has a critical role to perform in this environment by firstly seeking to ensure that certification schemes in the first instance do embrace effective and meaningful stakeholder consultation and engagement mechanisms and in the second by assisting the community to access and participate in the application of the certification schemes at the local and regional level.

This means TCA will help community members to actively participate during the stakeholder engagement phases of the certification of operations.

TCA has already actively provided this service for a number of currently certified industry participants and some seeking certification.

TCA cannot provide community approval or endorsement for either government or an industry participant. What it can do is help create an environment within which they can more readily achieve that approval for themselves.

TCA can do this by;

- Reducing opportunity for local community amplification of the ideological objector’s views.
- Thereby reducing the weight of broader public opinion felt by politicians to as far as possible only that of the objectors themselves.
- Support this effort through directly lobbying politicians.
- Promoting certifications schemes which deliver community comfort.
- Assist certification schemes to deliver that level of community comfort both in their structure and the conduct of community engagement.
- Assist government and industry to conduct stakeholder engagement.
- Counter misinformation used by the ideological objectors to “seed” community amplification where they can generate it.

- Circulating accurate and reliable honest information on issues of community concern and interest. (This requires support of FWPA and all State and National industry associations, as well as State management agencies. They need to develop the material for TCA to distribute).
- As far as possible cast TCA as the honest broker of social license (community approval).
- Utilize as many “new media” and traditional communication channels as possible.
- Ensure it has wide spread membership across industry participants and broader community members.

In summary

Our industry needs to improve its level of social license if it wants to reduce the degree to which it is disrupted and subject to political and investment uncertainty and a poor public image.

This means the entire sector including the plantations sector which has its own social license issues both in the field and in the investor community.

Increasingly certification is presenting as one of the means whereby the sector can generate and manage its social license.

TCA has a significant role that it can play in assisting communities and industry stakeholders in this regard.

It is up to industry to seek to engage in all certification schemes more actively and to utilise TCA more effectively and pro-activity in this capacity.

Appendix 1.

Social license is the permission that the community gives an operator (public or private) to use a community resource either for profit or not for profit, once it (the

community) has reached a level of comfort that the costs to the community associated with that use are acceptable to the community relative to the benefits.

This definition contains a number of concepts that need further consideration;

Social license: Some in our sector find it so hard to accept that this concept is real that they have great difficulty even using the SL words, so if you find it helpful, call it community acceptance or any other label that helps you cope with it.

Permission: In reality except in some rare cases mostly in the mining sector where actual agreements which amount to social licenses are entered into formally, social license is most often not with drawn rather than given. Once withdrawn it is almost impossible to then have restored.

To use: To in any way exploit, utilise, manage or in any way alter the natural state and progression of natural processes within the resource in question.

Public or Private: Increasingly the community sets the level of the bar for acceptance or comfort at the same level for public and private users, although in some cases it does expect higher levels from governments and some private users particularly where a history exists.

Community resources: Any resources which in fact belong to the community, but which the responsibility to manage, with responsibility falls to government or has by some means been vested with a private entity.

For Profit or not: In terms of social license the community does make a distinction between use for profit and not for profit and will often require that where the user will make a profit from the use some of that profit must be invested into reducing the costs to the community of that use.

Comfort: A confidence that the benefits to the community from the use exceed the costs by an adequate margin given the level of profit flowing to the user, the potential costs to the community and the nature of the user.

Costs: The community's perception of the social, environmental and economic costs, direct and indirect of the proposed use. Note these are often misconceived and misrepresented and exploited by opponents of proposals to diminish community comfort. This is where the social license war is usually lost and seldom won.

Benefits: The community's perceptions of the social, environmental and economic, public and private benefits of the proposed use, when balanced against the perceived costs.

Associated with: Both direct and indirect.

Acceptable: The balance between the costs and the benefits and the margin is adequate given the community's values it places on each.

Community: Generally the community can be viewed as having the following broad components, those directly affected by the proposal (the potential NIMBY's), those interested but not affected, those not affected and not really interested but who could be mobilised either way by supporters or opposition to the proposal, and those who oppose the proposal and will seek to recruit the affected persons, turn them into NIMBY's and thereby produce enough amplification of their views to enlist the interested and even the not really interested to their opposition.

There is also a component who may support the proposal, these are usually a silent minority who are hard to mobilise and are usually only able to be mobilised when it is too late and the opposers have already generated a perception of wide spread lack of community comfort (opposition) as described above.

Of course there are also circumstances where the community discomfort is self generating simply due to the inherent community costs associated with the proposal.

Sometime discomfort can also arise due to the poor reputation of those (public or private) promoting the proposal, or their mismanagement of its promotion in not adequately establishing in the minds of the community an acceptable balance between the costs and benefits.