

Social License to Operate (SLO) or How to get the community onside for the Extractive Industries (EIs)

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Dr Mike Clarke, M.E.T.T.S. P/L

Phrases, words and concepts; their meaning

- **Social License to Operate (SLTO),**
- **Sustainable Development (SD),**
- **Perception and Reality,**
- **Believability and Truth, Trust,**
- **Impact, Severity, Likelihood,**
- **Avoidance, Circumvention,**
- **Recovery, Restitution,**
- **Responsibility, Denial,**
- **Risk, Hazard & Outrage, Fear**
- **Confidence, Response and A**
- **Guilt, Denial and Fear,**
- **Negligence versus Criminality**
- **Compensation and Retribution**
- **Control and Lack of Control,**
- **Responsibility and Culpability**
- **The Unknown**

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analyses

Social License to Operate (SLTO)

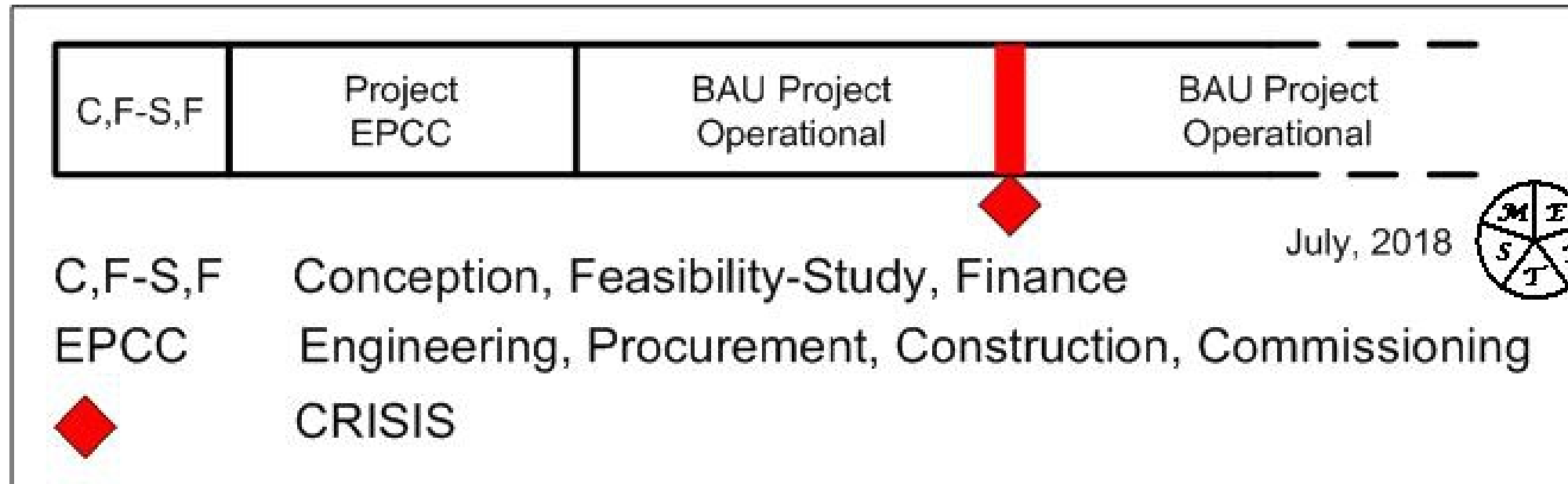
- Community attitudes regarding the project under-consideration with respect to its perceived advantages and benefits, and its perceived hazards and risks – a good activity for a SWOT Analysis,
- Community attitudes may be split along social, economic, historical, environmental, cultural and superstition lines,
- In the Australian context, the position of the community in the Chardonnay/Champaign index has significant impact on local and regional attitudes, and
- The openness of the community (or lack of) to external negative and positive inputs from special interest groups.

Starting an Extractive Industries (EI) Project

Creating and Managing SLTO

- For external stakeholders outside the Proponent Group, it is an Unknown venture into the future; a time of uncertainty,
- As Environmental Considerations have become paramount for many external stakeholders, with pseudo-science organisations such as Greenpeace coming to emphasise the negative environmental aspects (real or perceived) of the project, with the Precautionary Principle coming to the fore,
- The management of this 'HAZARD' is necessary from the first consideration that an EI project may be possible,
- The first task is to overturn the application of the Precautionary Principle with an early emphasis of the positive aspects of the project, and
- Ensure that local stakeholders are on side.

The SLTO Time-bar



The Five Periods of Social License Challenges:

- 1.C, F-S, F. Opponents will attempt to discredit the project, w.r.t Environmental Obligations, Finance, Native Title, Government Licensing, ... ,
- 2.EPCC. Can be time when opponents seek to stop work by continually appealing against licensing, ...
- 3.Project Operational. A period of low attack threat, but opponents will always be looking for 'failures'
- 4.Crises. A period of great threat, with shouts of 'SHUT IT DOWN!', where SLTO can be completely de
- 5.Closure and Rehabilitation. A time when the possibility of open-ended responsibility is a real threat

The Five Periods of Social License Challenges

1. A strong response is required to each challenge from the opposition, a factual argument with personal contact with stakeholders is a good start and if necessary rewording documentation (e.g. feasibility study reports, financing plans) to answer accusations and jibes,
2. Watching out for attempts to push the project off-schedule and to create uncertainty about the project management teams competence must be met with truthful and directed rebuttal,
3. With production underway and proof of concept in-hand, this is the strongest phase in a project life, however opponents will be on the look-out for failures, crises, economic challenges, etc, on which to argue that the whole project was ill-planned and a social/environmental/economic disaster. Maintaining Business-as-Usual (BAU) can be a challenge.

The Five Periods of Social License Challenges

4. Crises, failures, incidents, accidents and stuff-ups can occur through, negligence, human error, materials failure, changes in economic conditions, logistics problems, materials shortages caused supplier failure, service interruptions (water, waste, power and communications) hiccups and bad-luck. These challenges can be exaggerated or simply emphasised by opponents and can result in the loss of confidence in the project. An initial reactive response to such incidents requires providing accurate and useful information to stakeholders – please see Slide 8, and
5. Well planned project closure and responsible rehabilitation planning has become increased in importance to a point where EI projects will succeed or fail on their judged adequacy. Opponents will use past failed examples to attack the project using old examples of bad practice; putting major effort into concluding a project is a good idea.

The Great Divide in Working Through SLTO

Recovering from a Crisis

Business as Usual (BAU)

- Carefully and thoroughly documented explanations of what the project is all about with comprehensive SWOT analyses, leading to,
- Community information activities, that will include personal approaches to stakeholders, discussions with all tiers of government and a broadly targeted information campaign.

A Proactive and Ongoing Approach

Post the Crisis

A Crisis

- Have systems in place to gather information on the nature and depth of the crisis, issue press briefings as early as possible
- Utilise 'trusted' spokespeople to keep the community up-to-date
- Set about crisis repair activities, circumvention where possible, address immediate threats, and promote and share a strong and believable recovery plan.

A Reactive and Directed Approach

The Precautionary Principle

<http://www.precautionaryprinciple.eu/>

- ‘The Precautionary Principle is a strategy to cope with possible risks where scientific understanding is yet incomplete, such as the risks of nanotechnology, genetically modified organisms and systemic insecticides’,
- ‘The Precautionary Principle is defined as follows:
When human activities may lead to morally unacceptable harm that is scientifically plausible but uncertain, actions shall be taken to avoid or diminish that harm.....’

But the concept of ‘scientifically plausible but uncertain actions causing harm’ is often taken by vast numbers of people who do not understand scientific argumentation that the solution is to simply ‘turn off the lights – at least for other people’.

Supporters and Allies of the Precautionary Principle

- The Guilt Cult, where our lifestyle is assumed to be the root cause of our woes,
- People that have been ill-educated to believe that all socio-economic problems are solvable by the application of simple solutions such as 'return to nature',
- Scientists and engineers have understated the difficulties involved in storing electricity in such a way that the stored energy/electricity will achieve dispatchable status when supplementing or replacing electricity from renewable resources, and
- People with vested interests in, the 'new technologies' of very large scale wind and solar generation, mineral exploration for and mining of 'battery minerals', and in the operation of power grids without major base-load generation.

How to counter the proponents of the 'Precautionary Principle'

- Common sense would suggest that a good dose of education/knowledge would suffice, however much of the populace prefer to listen to purvey pseudo-science and have blind trust that all will continue as now - betw their occasional glass of Chardonnay or Champers,
- On-going campaigns linking physical wealth with plentiful minerals, guaranteed dispatchable electricity and access to affordable liquid transport fuels will be required to convince the populace that the Precautionary Principle is not applicable to well studied and researched EI projects, and
- Have the ability to refute each argument based on untested hypotheses through having access to media and presenting well researched and explained 'truths'.

The Precautionary Principle – the road to nowhere.

- It is:
 - The confusion of the concepts of,
 - **Hypothesis, Theory and ‘Proven’ Fact,**
 - It has become a tool of opponents of the EIs to create suspicion and fear in the populous,
 - **Recent targets being fracking, CBM extraction and nuclear waste processing,** and
 - It has also become a means for some politicians to justify their opposition to the EIs.

In Conclusion

- Social License to Operate is required by the Extraction Industries to continue to make ongoing and new contributions to our economy,
- Obtaining and maintaining SLTO is becoming increasingly difficult through the actions of opponents who want to restrict or stop EIs because of social, political, sustainability or mischievous reasons,
- The use of Precautionary Principal has become a tool to stop the EIs from progressing projects, and has caused significant reductions in Australia's inward cash-flow, and
- SLTO needs to be both proactive and reactive in its reaction to attacks from 'progressives' and base its reply to attacks and jibes with truth, emphasising the reality that EIs are required to maintain our standard of living and bring other populations out of poverty.

A Bright Spot in a Gloomy Scene

- The Australian Minerals Council, through its web-site and its Chief Executive, present a well developed set of policies covering all major challenges and governance aspects facing the Extractive Industries,
- Ms Tania Constable PSM (M Int Law, MBA, Grad Cert Econ.) is the sought after person that Joe (or Josephine) Public could relate to as being knowledgeable, educated, genuine and therefore very believable as a spokesperson for the EIs, and
- The AMC is being proactive in its approach with on-going communication but still needs more resources to meet the challenges of being quickly reactive where there is a crisis involving the EIs.

See - <http://www.minerals.org.au/mca-chief-executive> &

See - mining equipment, technology and services (METS)

An Old Engineers' Saying

**If all else fails baffle them with
bull-shit.**

(Oops: That is the Greenies' Mantra!)

Thank you for attending!