Mine and Body: 
Initial Reflections 
on the Social Bottom Line 
in Triple Bottom Line Reporting

Keynote Address
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by
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For Tristia.
At last.
Did you ever expect a corporation to have a conscience when it has no soul to be damned, and no body to be kicked?

Edward, First Baron Thurlow, 1731–1806

Our real objectives are to protect the integrity of the environment, to ensure the greatest possible level of safety and health for our people, and to be valued by the communities in which we operate. These are the criteria by which our performance will ultimately be judged, both by ourselves, and by others.


I want to work for a company that contributes to and is part of the community. I want something not just to invest in. I want something to believe in.

Anita Roddick

The Triple Bottom Line is becoming an imperative. Environmental and social responsibility should be at the heart of every business leader.


1.0 Introduction

In preparing this keynote address, I found myself reflecting on two recent experiences involving companies who have a commitment to Triple Bottom Line (TBL) reporting. First, I visited my favourite shop, The Body Shop, in downtown Brisbane. They have been running two campaigns that interest me. One is about ageing and body image, featuring ‘Ruby’ a figure representing a middle-aged woman about my shape. I am able to fill in a form with my comments on ageing. Last week I found them summarised in the report back to customers. More importantly, The Body Shop has been conducting a campaign against uranium mining at Jabiluka in the Northern Territory. I collect their informational materials. I sign a petition. I buy a t-shirt supporting Reconciliation. The shop assistant offers the telephone number of their Customer Service Department.

I wonder how The Body Shop can save Kakadu. When the rest of us seem to be failing. But at least they are trying. For me, this is as important as their well documented and highly successful stand against animal testing, a reason I’ve shopped at The Body Shop for over two decades. Changed by

1 North Limited is the parent company of Energy Resource Australia, currently mining uranium at Ranger and Jabiluka, in the Kakadu Word Heritage Area, Northern Territory.

2 I gratefully acknowledge the generous assistance of my husband, Karl Langheinrich, in the preparation of this paper and am indebted to his earlier work on social capital and the operation of neighbourhood centres in New South Wales (see Langheinrich, 1998). The kind assistance of Drew Westbrook, Paul Shanti and Nancy Entwistle and Ian Christesen of Brisbane City Council is also gratefully acknowledged.
that experience, I now search labels of other products to ensure I do not inadvertently purchase a product whose manufacture involves cruelty to animals. Perhaps they even influenced in my decision to undertake a Ph.D. in environmental ethics in 1992.

The wild and sacred landscapes of the Top End swim in my mind: my spiritual ‘home’ in Australia. In July 1998, I visited the Stop Jabiluka Blockade at Jabiluka in Kakadu National Park to show support and make a donation. I marvelled how things had to come to this, how the same company, Energy Resources Australia (ERA), could continue to battle with the local Aboriginal community, environmental activists and concerned people from all over the world. You’d think after Ranger, they’d have taken their shovels and gone home, especially as the price of uranium is supposed to be falling and the contamination and storage problems are far from resolved. I talked with the young activists camped at the site, awaiting busloads of reinforcements from down south. I read the media file. I drove around as close as I could to the mine site. And remembered my first visit to that country in 1976—to Camp Concern, a non-violent, residential demonstration camp protesting against the Ranger Uranium mine.

Twenty-four years have passed since I first visited Camp Concern at the South Alligator River on the edge of what was to become Kakadu National Park, and made my first donation to the anti-uranium mining cause. And about the same time has elapsed since I started using Body Shop cosmetics and following their social and environmental campaigns. I’ve often thought I’d like to work for them. (I never had the same feelings about ERA.) I’ve also spent those twenty-four years as a social planner watching the ‘social’ given short shrift in planning and decision-making. And now we have a conference that highlights the ‘social’ along with its siblings: the environmental and the environmental.

As an environmentalist, my focus is with finding ways to help members of my profession (town planning) care for Nature—for the living Earth. But I am speaking to you today primarily as a practicing social planner working with business and government—mostly with State and local government throughout Australia.

Presenting a paper on an emerging system such as the Triple Bottom Line reporting is a daunting prospect for a practitioner. I found myself asking all these questions. How will the ‘social’ be justified in this conference? Will the ‘social’ again become the “aery-faery” component of an otherwise valuable

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1 In support of the Mirrar people, the Stop Jabiluka Blockade began on 23 March 1998. It was closed before the Wet Season in October 1998. Nearly 3000 people travelled to Kakadu to take part in nonviolent direct actions aimed at slowing construction and highlighting community opposition to the mine. There were more than 500 arrests. As a result, the mining operation was put behind schedule and Jabiluka became a national symbol of resistance to the nuclear industry.

2 ERA admits that demand has fallen. Its 1999 Annual Report notes that, “the 1998/1999 result was satisfactory, considering the fall in the spot price and weaker demand. Deteriorating market conditions led to a cut back in production in January to an annualised rate of 4000 tonnes per annum (versus 5,500 to 6000 tonnes per annum capacity). This rate is expected to be maintained in the 1999/2000 year.” The price of shares is clearly sensitive to local political issues in this x-ray environment. In October 1998, ERA’s share price bottomed out after the Senior Traditional Owner, Yvonne Margarula, refused to agree to the plan to mill uranium at Jabiluka.

Environmental groups are expanding the concept of ‘shareholder’. On July 1999, The Wilderness Society’s webpage advised people who are paid workers in Australia that their superannuation fund may hold shares in North Limited. The advised them to consider themselves as shareholders and recommended that they write a letter to their super fund to find out if they hold shares in Jabiluka. And if they do, to vote against Jabiluka (see http://www.wilderness.org.au).

5 As early as 1969, uranium was found at a site 240 kilometres east of Darwin (now the Ranger mine). In 1975 the Ranger Uranium Environmental Inquiry (Fox Inquiry) was established to review the effects of uranium mining in the Alligator Rivers region. Two reports, in 1976 and 1977, found that the hazards of mining and milling uranium were not sufficient to justify a decision not to develop Australian uranium mines, provided that their activities were properly regulated and controlled. In August 1997, the Ranger EIS was approved and the Federal Government granted authority to mine uranium in January 1979. Construction began immediately. Production commenced at Ranger in August 1981 and the mine has been progressively expanded.

6 See Sarkissian, 1996.
conference on economics and the environment? And what about this Triple Bottom Line concept, in any case. Is it real? Is it just another word for “social accounting”? Will using this new approach really make a difference? Is it worth trying to learn to paddle up this new river?

Having read John Elkington’s provocative book, Cannibals with Forks (1997), I think perhaps it’s worth a try. Reading the 1998 and 1999 annual reports and the social and environmental audit report of The Body Shop (International and Australian), my heroes for the past twenty-five years, I feel certain we’re onto something new and valuable here. Reading some other annual reports and public relations materials of other businesses using TBL—businesses like North Limited, the parent company of ERA—I feel less encouraged. Perhaps we’re just in the early stages. But I have a déjà vu feeling about all this. Haven’t we been there before? Or was it only the social planners who were there before?

In this paper I will discuss the status of the ‘social’ in TBL reporting and will then explore Elkington’s Seven Revolutions with some relevant audit questions. I will then apply some of the questions to two Australian companies who purport to use TBL reporting in their annual reports.

2.0 A social planner looks at Triple Bottom Line reporting

Valuing the top line

My professional experience has been that the ‘social’ is always the poor relation in any business equation. If I had a dollar for every conversation I’ve had with a Sydney developer which ended up with him saying, “It may be a good idea, Wendy, but is there profit in it?”, I could retire. Would have done so years ago. It didn’t matter what the topic was. For him (let’s call him Bob), it was about profit. Child care centres? Accessibility? Residential social mix? Transport? Increasing density? Play areas? What was the bottom line? That was his question. The single bottom line. Always the bottom line. The same bottom line.

With Bob, I wanted to talk about the “top line”: the line at the top of the equation where we could articulate and explore values, principles and things that were important. Equity issues. But Bob would not listen. Those were different things. They did not belong in the same column; certainly were not part of the same discourse. Not the main game. A different discourse. And not one that mattered.

For years I have dreamed of an accounting system where life and community mattered. I believe that when ‘accounting’ is the model, it seems difficult to imagine that the ‘social’ can have status—a column of its own. Nevertheless, I’m here to explore TBL reporting and the ‘social’ bottom line, to the best of my somewhat cynical ability.

Social aspects of TBL: the social bottom line

Grouping the social, economic and ecological (or environmental) together is not a new idea. They are the cornerstones of sustainability and sustainable development. For me, sustainability has always meant more than protecting “the environment”. The World Business Council on Sustainable Development describes it as “the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies aiming for sustainability need to perform not against a single financial bottom line but against the triple bottom line”. The United States President’s Council on Sustainable Development explains that sustainable communities “encourage people to work together to create healthy communities where natural and historic resources are preserved, jobs are available, sprawl is contained, neighborhoods are secure, education is lifelong, transportation and health care are accessible, and all citizens have opportunities to improve the quality of their lives” (City of Austin, 1999:2).

For me, these definitions are much too anthropocentric, focusing primarily on human use and enjoyment of the natural world. A more ecocentric approach would have satisfied my ‘green’ self. The

7 For the ultimate review of the literature on sustainable development, see Pezzoli 1996.
8 Chet Bowers has argued that this Enlightenment vision ignores the “bottom line”: “understanding the interdependence of the human culture/natural habitat relationship in terms of what is sustainable over the long term” (Bowers, 1993: 115). Anthropocentrism can be defined as human-centredness or human chauvinism. It is the dominant paradigm which asserts that the human place in the ecosystem is as the apex of the evolutionary pyramid. An alternative view, which could be called ecocentrism or biocentrism, reflects the consciousness of interrelatedness. It is at the root of Gregory Bateson’s
years I spent in the 1990s studying with Professor Peter Newman at the Institute for Sustainability and Technology Policy at Murdoch University strongly influenced my vision of a sustainable community. The writings of community-oriented scholars and practitioners contributed as well. The City of Austin, Texas describes the sort of sustainable community I envisage—in which the 'social' has status, but where the ecological is acknowledged as having primacy (City of Austin, 1999: 2):

“A sustainable community is one whose prospects for long-term health are good. Its residents do not deplete the resources that they depend on faster than those resources are replenished. Specific characteristics include:

- Long-range, comprehensive planning to avoid problems before they are created
- Respect for basic rights and recognition of basic responsibilities
- Living within ecological carrying capacity
- Equal opportunities for individual development
- A diverse economic base
- A vibrant democracy—with an informed, involved citizenry
- Protection of natural diversity
- Improving the minimum standard of living
- Maximizing the use of people's abilities while minimizing the use of natural resources.”

3.0 The Seven Revolutions

My source for TBL understanding is John Elkington’s 1997 book. Elkington argues that the three keys to the twenty-first century are: that business will increasingly be operated in a high visibility environment; that voluntary reporting will help fuel demands for much higher levels of corporate disclosure, and that stakeholders will demand more active involvement in all aspects of a company’s life, including its target-setting and reporting methods (p.185). He sets out the Seven Revolutions, which he believes to be the seven dimensions of a sustainable future. These are impending transitions which are closely interlinked and will require responsiveness of a level never before dreamed of. They require a shift from an old paradigm based on compliance, hardness, closed product-oriented time-bounded and hierarchical approaches to a new paradigm based on cooperation, soft values, transparency, symbiosis, longer time frames and inclusive governance (Elkington 1997: 3–4). I am going to discuss each one in turn, to locate us all within this new model.

(1972) concept of an “ecology of mind.” Bateson argues that humans participate in life as part of a larger mental ecology, not simply a biotic or physical reality. According to Bateson, life really consists of collaborative actions within a web of relationships; the actions are always collaborative, as “expressions of interacting systems, and not individualistic” (Bateson, 1972, cited in Bowers, 1993: 158–60).

With few exceptions, the material in company reports is fundamentally anthropocentric, embracing the dominant Western paradigm of individualism, rationality, growth and progress. Anthropocentric perspectives emphasise utilitarianism, cost-benefit analysis and market failure; environmental rights; obligations to future generations and paternalism and risk-taking.

Nonanthropocentric perspectives which serve to further expand the “moral community” include: duties to sentient life-forms; duties to species and biodiversity; biocentrism (life-centredness: holding that all life has inherent worth and thus ought to be at the centre of the moral framework); ecocentrism (ethical holism: the inherent worth of the larger ecosystem itself); deep ecology, ecofeminism and bioregionalism; and other nonanthropocentric positions, including Indigenous perspectives, Eastern religious views and notions of Christian stewardship (see Beatley, 1995: 330–339).
Revolution 1: Markets

I learned in the section on Markets in Elkington’s book that that this was a different type of book from the economic rationalist texts so popular today. Elkington explains that the sustainability agenda will catalyse huge discontinuities in today’s markets. The aim, about which environmental scientists agree, is to dematerialise markets by increasing resource conservation and efficiencies. It seems to me that Elkington’s seven goals for eco-efficiency could also be applied to social effectiveness:

| 1. Reduce the material intensity of goods and services |
| 2. Reduce the energy intensity |
| 3. Cut toxic dispersion |
| 4. Enhance material recyclability |
| 5. Maximise the sustainable use of renewable resources |
| 6. Extend the product durability |
| 7. Increase the service intensity of goods and services |

Table 2: Seven Goals of Eco-Efficiency

Some interesting questions, which Elkington calls Market Audit Questions, also have application to the ‘social’ agenda:

- To what extent are people prepared for the sustainability transition?
- To what extent are businesses and governments working in partnership with local people and communities of interest to bring them along in the transitional process?
- Is our Board thinking of sustainability as a corporate citizenship issue, or as a key factor in competitive advantage in twenty-first century markets?
- How do our markets currently value triple bottom line commitments and performance, and under what circumstances might this change in future?

In social planning, particularly working with communities in collaborative ways, our focus is always on partnership and future visioning. While I grieve for the lost language of community development and

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9 Eco-efficiency involves the delivery of competitively priced goods and services that satisfy human needs and bring quality of life while progressively reducing ecological impacts and resource intensity throughout the life cycle, to a level at least in line with the Earth’s estimated carrying capacity (Elkington 1997: 395).
hate to call citizens ‘customers’, I can nevertheless see that a more responsive approach to markets and sustainability would probably benefit those with and for whom I work.

**Revolution 2: Values**

The values articulated in the *Values* section of Elkington’s book appear to be highly consistent with those which inform social planning agendas and the participatory processes with which I am familiar. Elkington explains that we are moving, as a global society, from hard to soft values. Further, the soft TBL values will not necessarily make business life easier. As community workers and social planning theorists acknowledge, there will be a need to work with a diversity of values. Integrating TBL into business can bring new values to the fore. For Elkington, genuine sustainability means the valorisation of a number of social values: alleviation of poverty, population stabilisation, female empowerment, employment creation, human rights observance and opportunity for redistribution on a massive scale. This is certainly how social planners see values.

Elkington’s second revolution raises the issue of care or caring, highly germane to any discourse about social planning. He asks, are values really crucial to the long-term future of capitalism? Or are they, instead, little more than flies in the economic ointment? I have spent much of the past decade thinking about care and caring. My Ph.D. dissertation focused on ways of nurturing an ethic of caring for Nature in Australian planning education and practice. Thus, I was delighted to find a table in Elkington’s book which sets out a new paradigm. In the old paradigm, according to Elkington, the focus is on hard, uncaring, controlling, ‘me’-oriented approaches, with monocultures committed to growth. Within the new paradigm where the focus is on values, the emphasis is on soft, careful and caring approaches, characterised by stewardship, where ‘we’ rather than ‘me’ have prominence, and diversity and sustainability replace monocultures and the growth ethic.

The necessary shift to sustainable lifestyles will come only with an appropriate shift in our values. To capture the wealth creation of these values, we must learn to recognise and work with a diversity of both shared and unshared values. Further, regular social and/or ethical audits need to be conducted on business operations and plans. Successful companies will be those who are better at identifying, understanding and responding to the values of those who they work with and serve.

Some of the **Values Audit Questions** which Elkington attaches to the ‘values’ revolution I found to be particularly relevant to social planning:

- What are this company’s values? Do we have a statement of values? If not, should we have one—and how should it be developed?
- What are the values of our customers and other key stakeholders? Are they congruent? And how do they relate to the triple bottom line of sustainability?
- Does our Board understand that the business of business is not simply about the creation of economic value, but also, increasingly, about honouring a growing range of social and ethical values?
- Are our values in line with the emerging sustainability agenda? If not, what are the nature and scale of the gaps to be bridged?
- Have we tested our values with key stakeholders such as our customers? Or with young people, including our new recruits, or young people we would like to recruit?

These are good questions. My fear is that we’ll have sophisticated articulation of values without the resources to sustain them. Good questions for the public relations mill. Can this revolution offer strategies—and action—to achieve these values, I wonder.

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10 See Sandercock, 1998 for a discussion of the planning implications of population diversity and cultural change.

11 See Sarkissian, 1996.

12 While some theorists view Christian stewardship as nonanthropocentric, to me it is a fundamentally anthropocentric notion, requiring the benevolent, enlightened humans to ‘manage’ non-human Nature.
Revolution 3: Transparency

Markets need information to operate effectively and efficiently. As most businesses are in competition, they have tended not to disclose any more information than was necessary. Society’s new values of openness and disclosure, backed up by information technologies such as the Internet, have assisted the emergence of a broader range of stakeholders and an increased scrutiny of company activities. Most forms of corporate abuse are increasingly made visible as companies cannot count on their ability to maintain secrecy over time. Distortion of issues can also occur, particularly for companies that have made themselves highly transparent.

Some Transparency Audit Questions, which relate to the way social planners see business and government, are the following:

- Is our communication credible and effective?
- Does it engage the emotions and perceptions of target audiences?
- How do we know?
- To what extent do the members of our Board believe that if they can just keep their heads down they can avoid the sorts of challenges that have buffeted companies like Shell?
- Are we communicating our TBL commitments, targets and performance to all appropriate stakeholders.
- What implications will the Internet have for the transparency of our operations?
- Have we genuinely moved beyond sustainability promises to Triple Bottom Line targets?

An illustrative example of the new emphasis on ‘transparency’ comes from a senior executive of Shell. In a section of the Annual Report entitled Dilemmas Which Call for Openness, Cor Herkstrter, former Group Managing Director and President of the Royal Dutch Petroleum Company (Shell), explains (“Shell and Sustainability”, 1998: 1):

“… many of you will be aware of the dilemma faced by Shell UK in disposing of its redundant oil storage and loading buoy, Brent Spar. Plans for its disposal—carefully researched and supported in one society—were opposed by people whose expectations came out of different value systems and who saw it as a single-issue cause to fight for. Protests were vocal and physical, and false allegations were made. There was a highly charged atmosphere of confrontation.

We learned that we need to consider the wider social implications and emotional reactions to such issues. And the two-year dialogue process which Shell UK entered as a result has helped to promote a different approach to decision-making in the Group.”

Cor Herkstrter, former Group Managing Director and President of the Royal Dutch Petroleum Company (Shell), 1998.

I believe that any social planner or environmental activist worth their salt could have told Herster what was coming. Those of us who see the Earth’s social and biotic communities as interconnected feel that the North Sea is our affair. We’re stakeholders. And we weren’t consulted. 13 Elkington makes the point that stakeholders will need to be actively involved in deciding the indicators, targets and reporting methods for disclosure to be helpful and to boost industry credibility (p.185).

For a social planner whose work focuses on community participation, the need for transparency is probably the single most important aspect of the social bottom line. Increasingly, in my experience, communities are demanding to understand how decision making is done, as well as the values which underpin decisions. They may not always march in the streets but we ignore their voices at our peril. 14

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13 For discussion of Shell’s unpreparedness, see Elkington, 1997: 266–7.

14 Martin Stewart-Weeks argues that “effective public participation and community consultation draw on, and replenish a community’s stock of social capital. Conversely, poor or ineffective participation processes diminish social capital by promoting cynicism and allowing conflict to simmer, often emerging later in the process in a more or less dramatic fashion. Social capital erodes to the extent that it is not used because people do not get the opportunity to use, and therefore to maintain, their instincts and capacity for problem-solving (Stewart-Weeks, 1998:8).
Revolution 4: Life-cycle technology

Because of growing awareness of the harmful impacts of many products and the sheer volume of energy and materials used, companies can no longer end their product responsibility at the factory gate. Thus, investments are being made in life-cycle assessment and design tools in order to ensure that environmental considerations are fully taken into account, particularly in the development of new technology. Life-cycle data on materials and products will become a necessary condition of sales in a growing number of sensitised markets.

Revolution 5: Partnerships

In relationships with business and government, stakeholders want to be treated as partners. The greater the mutual, earned respect and loyalty, the greater the chance that the organisation will be sustainable. To achieve outstanding triple bottom line performance, new types of partnerships are needed in order for both parties to attain goals that they would not have been able to reach on their own. This new approach is also currently popular in government in Queensland, other states and at the national level, with many departments working through their partnering relationships with communities. In my experience, most do this work awkwardly and ineptly. Intention is one thing and artfulness is another. This area needs a lot of work with respect to government. I can only guess how much work must be required to turn business around.

Some Partnership Audit Questions raised by Elkington which are relevant to social planning are the following:

- As the sustainability transition builds, can we maintain or achieve competitive advantage without new forms of stakeholder partnership?
- Which stakeholders should we involve in developing our sustainability audit – and how? Which current critics might become future ‘complementors’?
- If asked, would our key internal stakeholders (particularly employees) say that we are “walking the talk”?
- Where partnerships are needed, how do we choose strategic triple bottom line partners, particularly from among the ranks of campaigners?
- How do we develop and sustain such relationships? What are the likely benefits, and how can we maximise them? Where are the downside risks, and how can we minimise them?
- Are we doing enough to build bridges and track organisations with which we are not formally partnering?

Developing relationship with campaigners is a notion that worries me. Co-optation or institutionalization of radicals are always dangers to be averted. In my work as a social planner, I always have to keep a close eye out for those locals who are being bought off by free lunches and taxi vouchers. It’s easy to be taken in.

Revolution 6: Time

Elkington makes the point that the re-perception of time is one of the most fundamental shifts that needs to occur if we are to achieve a sustainable future. A 300-year plan is ‘long-time’ thinking with a vengeance. Further, building the infrastructure of a sustainable economy will take unusually long-term thinking, planning and funding. If we are to rethink time, the emphasis needs to be on “long time”, a deep, flowing process where centuries are minor events. The current emphasis on ‘wide’ time where

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15 There are some encouraging exceptions. In Eagleby, a low-income community in the Gold Coast, representatives of the South Coast Public Health Unit of Queensland Health have recently signed a Memorandum of Understanding with representatives of the local community. That document, negotiated over several weeks and the result of nine months of collaborative work, details the rights and responsibilities of both parties in a community development and participatory research program.

16 Complementors are those actors in an economy or society who supply complementary products, services or inputs to businesses or business ecosystems. Increasingly these can include actors once thought to be hostile, including competitors and campaigning groups (Elkington 1997: 394).
everything is happening now, next week and last week is at the core of our misunderstandings. Many of today’s issues and challenges have roots deep in the past and will project way into the future. As the average corporate life expectancy is between forty and fifty years, this is a challenging re-perception. Many of the environmental issues which arise in the long term do not become apparent until well beyond the current corporate planning framework. With governments, working form election to election, the problem is even greater. Funding cycles and short-term visions can lead to cynical views of the legitimacy and viability of any proposals.

As a social planner, I can certainly appreciate the approach to ‘time’ advocated by Elkington. So much of our work involves building relationships with communities, aiming for stable and flexible collaboration. As an environmentalist, I support the emphasis on intergenerational equity. I also see time as a river,

**Revolution 7: Corporate Governance**

With respect to corporate governance, Elkington contends that the centre of gravity of the debate has shifted from PR to competitive advantage and corporate governance—and from the factory gate to the boardroom. The corporate board is ultimately responsible for firmly placing the triple bottom line agenda at the core of the business, regardless of the sustainability revolutions already occurring. The role of the corporate board is moving to centre stage. If we can create between systems of corporate governance, we can have a better chance of creating a sustainable future.

A critical aspect of corporate governance, from the social planning perspective, is the emphasis on inclusive stakeholder dialogue. This is seen as a multi-faceted dialogue, occurring in multiple ways, not simply the one-way dialogue where information flows from the company. Germane to this concept are deeper manifestations of accountability, including accountability to owners, employees, customers, regulators, and legislators, as well as to other stakeholders. From my perspective, those “other stakeholders” are often members of the various local communities and communities of interest who are affected the actions of a company. Expanding the membership of a board to increase its diversity, for example, can help the company sustain their purpose and develop shared targets, as well as creating organisations that genuinely learn and evolve at a competitive pace.

Some **Corporate Governance Audit Questions** which have relevance to the social agenda are the following:

- Does our Board genuinely understand that sustainability is a new form of value which society will demand and which successful businesses will deliver through transformed markets?
- Should the main focus be on corporate citizenship or on competitive advantage?
- Which aspects of our management of economic, social and natural capital are likely to be most important – and, potentially, most controversial?
- Do we have the right balance between advice and challenge in our non-executive directors and elsewhere?

### 4.0 Understanding social capital

**What is social capital?**

Critical to understanding the ‘social’ dimension of Triple Bottom Line reporting is an understanding of social capital. Elkington defined social capital as “capability that arises from the prevalence of trust in the society or in certain part of it” (1997: 84). Measures of social capital include “the ability of people to work together for common purposes in groups and organizations.” Social capital depends on the acquisition and maintenance of loyalty, honesty and dependability. Benefits flow from a lowering of social friction.

Elkington makes it clear that there is a new stirring of interest in such concepts as social accounting and auditing (p.86). Nurturing social capital is essential for the ‘social’ bottom line to be achieved. One

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17 See Gray et al., 1996.
of its measurable results is the production of social trust. Social trust is important for several reasons. Many analysts believe that social capital is increased and levels of social trust rise in situations where individuals or groups encounter generally positive responses in their interactions with others, and when their reasonable expectations for a just outcome are fulfilled. Some argue that the term social capital was first coined by academic James Coleman in 1988, while others see Jane Jacobs’ influential Death and Life of Great American Cities (1961) as its genesis. Certainly, for a town planner, social capital begins with Jacobs’ brilliant description of the dynamics of cooperative urban life in New York’s Greenwich Village.

Among the questions business people will need to ask as we move into the new millennium are the following:

1. What are the critical forms of social capital in terms of our ability to become a sustainable corporation?
2. What are the underlying trends in terms of the creation, maintenance, or erosion of these forms of capital?
3. What is the role of business in sustaining social capital and human capital?
4. To what extent are such concepts as environmental justice and intra- and inter-generational equity likely to change the ways in which we define and measure social capital? (p. 86)

The research of Robert Putnam, a Princeton academic, first clearly demonstrated the link between social trust and generosity and regional economic wellbeing and resilience. In Making Democracy Work (1993), Putnam defines social capital as “those features of social organizations such as trust, norms and networks, that can improve the efficiency of society by facilitating co-ordinated actions.” Social capital is a by-product of common social interactions. Two of its measures are the production of social trust and high levels of volunteerism.

At the core of the research findings, in Australia and overseas, is a strong case for nurturing civil society. Eva Cox argues that a civil society may be defined as one which social processes work to offer the people both an adequate standard of material goods and services, such as housing, education, health care, access to paid work, and other forms of income support and other conventional social indicators. In addition, social and political processes must be seen as fair and should offer opportunities for participation in decisions, in activities, and in developing and maintaining relationships with others in formal, informal and semi-formal settings. The outcome is quality of life defined by our relationships as well as by our goods (Cox, 1995).

Putnam’s research revealed that the strongest contributor to the economic success of Italy’s Northern Regions, relative to the Southern Regions, were social networks and relationships within communities. More importantly, the positive experiences of everyday interactions among fellow citizens translated into greater (financial) risk taking and greater entrepreneurial spirit within the communities studied.

Social capital can be seen as the translation of the social trust we place in strangers and institutions. It is a measure of our satisfaction with the way we interact. We build our sense of belonging and our reference points through our connections with others. This is the essence of a civil society: citizens actively participating in a variety of associations in social life that are marked by connections outside their family realms. Sociologist Erving Goffman in The Presentation of Self in Everyday Life (1959) explores this concept using an example about the normative expectations of hosts and guests. Goffman argued that in our lifetime we may need to accommodate guests who stay overnight or even longer. During this time, their expectations are to rest in peace, without fear of being murdered in their

18 According to Cox, social trust is the transferable levels of trust which predispose us to trust those we do not know, who are not familiar. Civic trust is a level of acceptance of the formal and semi-formal authority of governance. It is important to emphasise that social trust does not depend on happy relationships with family and other familiars.

19 This work makes possible the many programs to assist community member and provides the major support for organisations with a community focus. In school canteens and at the local neighbourhood centre, through work with the CWA, as a Rotary member, or belonging to a Lions Club, volunteers are the lifeblood of many institutions.

sleep. We, as hosts, have expectations that guests will reciprocate by not injuring us or making off with the family silver. Should all go according to the rules, role expectations are upheld, trust is maintained, the relationship continues and the opportunities for positive flow-on effects are created.

Social capital generated at the local level has positive consequences for society as a whole. These effects include trust in the democratic system of government and its institutions, thus ameliorating the effects of alienation due to social power imbalances and income disparity. Further, social capital is important for lowering crime rates in communities. As research by Fukuyama (1995a; 1995b) and Putnam (1993) has demonstrated, the effects reach to the heart of issues such as economic activity and profitable outcomes which are highly dependent on trust in strangers and artificial entities, such as investment funds, companies and the like.

The current debate about “social capital” and its importance to societal wellbeing comes at a time when statistics show a marked retreat by citizens from civic engagement (see Putnam, 1996). Increased alienation and social distrust influence people’s sense of social fairness and significantly influence their social tolerance levels. The results are that some people become forgiving while others become vengeful. Two notable current issues, increasing corporate and personal litigation and spiralling healthcare costs, are useful examples to illustrate these trends. Firstly, the increase in litigation, which consumes the resources of the legal system, as well as diverting fiscal resources that could be better used elsewhere, could be and has been reduced in some communities by generating trust and ‘good will’. More specifically, the belief that those who caused the loss or injury did so deliberately or lacked a sense of care is fuelled by distrust of our fellow citizens and their motives. It could be argued that this is a by-product of low levels of social capital in communities where people’s attitudes generate divisions between them and “the others”.

Thus, it could also be argued that a sense of injustice directed at corporate entities, rather than altruism and a desire for good corporate citizenship alone, have fuelled corporate interest in civil society. In addition, it could be argued that worldwide consumer boycotts aimed at punishing bad corporate behaviour have had a greater impact than attacks of moral conscience. A second major reason for the current interest in social capital is our ageing population and rising healthcare costs. Governments are acutely aware of these related issues. Thus, we have seen a move during the last two decades from institutional to community care of older people and those requiring medical care. This approach depends on the ‘social’ bottom line: it relies heavily on the existence and production of social capital. Otherwise there will be no community carers and no volunteers to take on the tasks of the many agencies involved in the community care programs.

5.0 Comparing two companies from a ‘social bottom line’ perspective

The Body Shop

The Body Shop has an established reputation as an ethical and respected international company which has taken strong positions on trading partners and supply chains, refugee and industrial issues, especially in developing countries, occupational health and safety, and animal rights. In November 1998, their 15-year campaign against animal testing resulted in the British government banning the testing of cosmetics on animals. The Body Shop has led the way in moving towards use of GM-free oils in cosmetics and toiletries, including seeking assurances from suppliers that the oils they purchase

21 While the emphasis on personal litigation is not yet a feature of Australian life, many analysts believe that this country is following in the footsteps of the United States in this regard. Thus, these examples can serve as a warning of trends which may already be taking shape in Australia but which may not yet be fully apparent.


23 An interesting case is the response of Shell following the scuttling of the plan to scuttle the Brent Spar oil rig in the North Sea. Much of the public relations material (including triple bottom line material) now produced by Shell has a definite flavour of contrition. But is Shell truly contrite? Do corporations have consciences?
are not genetically modified. During 1998, The Body Shop Australia’s Reconciliation Campaign
gathered 100,000 thumbprints and was awarded the Human Rights and Equal Opportunity
Commission of Australia Corporate Award.

In recent years, The Body Shop has redirected its focus toward assessing the environmental impacts
of its operations. For example, they have set a target of the proportion of air export freight at 2.5% by
the year 2000. In 1999, the company reported a reduction from 5.3% to 3.8% of total freight.

Initiatives of the sort have also been undertaken by Body Shop Australia. Reconciliation was The Body
Shop’s major campaign between 1997–98. However the company was also active in campaigns on
key environmental issues, including: Jabiluka—World Heritage Under Threat, Southern Ocean Whale
Sanctuary and Australia’s Oceans Policy. Monitoring of the Against Animal Testing Commitments
continued with ingredient testing completed for 49 existing and 53 new materials used in Australian
products during 1998.

In 1999, The Body Shop in Australia undertook a comprehensive campaign as part of the International
Year of Older Persons. The report, “Life’s a Blast at Any Age,” was produced in 2000.

For many years the Community Trade Program of The Body Shop has been instrumental in initiating
fair trading with disadvantaged communities around the world. Community Trade is The Body Shop’s
targeted purchasing program, sourcing natural ingredients and accessories from over 35 suppliers in
20 countries. Over 100 products contain Community Trade ingredients. The Body Shop has aimed to
establish relationships based on trust and respect with these communities, foster economic
independence and social programs through employment, income, education and skills development.
Their position is that business can act as a force for positive social change, not only by avoiding
deliberated social and environmental violations, but by actively doing good. In 1998–9, The Body Shop
International purchased over $A9.2 million worth of accessories and natural ingredients from
Community Trade suppliers. As Roddick explains,

Community Trade is about how people make their living, how they feed their
families, how they educate their children. It is all about relationships; about
listening to each other, learning from each other, developing a community’s
ability to stand on its own two feet.

The Mission Statement of The Body Shop is “To dedicate our business to the pursuit of social and
environmental change.” Among its specific objectives is “to creatively balance the financial and human
needs of our stakeholders: employees, franchisees, customers, suppliers, and shareholders.” It is clear
from this statement that The Body Shop embraces Elkington’s vision of “stakeholders”: extending well
beyond those who have a monetary interest in the company’s profit bottom line. And they are clear
about their objectives:

**Our Reason for Being:**

- To dedicate our business to the pursuit of social and environmental change.
- To creatively balance the financial and human needs of our stakeholders: employees,
  franchisees, customers, suppliers and shareholders.
- To courageously ensure that our business is ecologically sustainable: meeting the needs
  of the present without compromising the future.
- To meaningfully contribute to local, national and international communities in which we
  trade, by adopting a code of conduct which ensures care, honesty, fairness and respect.
- To passionately campaign for the protection of the environment, human and civil rights,
  and against animal testing within the cosmetics and toiletries industry.
- To tirelessly work to narrow the gap between principle and practice, whilst making fun,
  passion and care part of our daily lives”

issues, as well as two academics and a consultant. As one who has followed Cox’s high-profile commitment to feminist and egalitarian causes, I was not surprised to read in Cox’s report that, “I came to this project with some scepticism ....” However, Cox went on to say that she had been impressed, with regard to all involved, by their commitment to being “good citizens in their workplace roles”, and by the results they have produced. Uncharacteristically, she said that “it was good to see people enjoying their commitment to the public good in a commercial enterprise.” Further, she commended the process to other organisations who want to understand what they do and to share their experience with others (Cox in The Body Shop, *The New Bottom Line*, 1998: 15).

The social audit was highly complex and comprehensive. It built on The Body Shop International’s 1997 Values Report and involved extensive stakeholder and employee participation. A survey of body shop employees in August 1998 received a response rate of 85% with 773 completed questionnaires. Self-administered questionnaires were distributed to 8000 customers in November 1998, representing approximately 10% of total customers in Australia and New Zealand. A creditable survey response rate of 14% was achieved. The formal survey research was complemented by 24 focus groups with staff as well as in-depth focus groups with customers and suppliers. The framework for social auditing and disclosure clearly reveals the relationship between the scope of the audit and stakeholder dialogue leading to policy review (p.73).

Results from the social audit show positive receptions across all stakeholder groups that The Body Shop is, in action as well as rhetoric, committed to social and environmental change and ethical business practices. The integrity and honesty of The Body Shop is widely acknowledged and in general it has met its stakeholder objective of being a company where staff are happy, enjoy their work, and share in the company’s values and vision. The company’s internal culture is generally perceived by staff to be fair, honest and encouraging, with high levels of trust in the company’s integrity and ethical standards reported by staff. Many customers share The Body Shop’s environmental and social change values and vision, and support their efforts to be socially and environmentally accountable. Further, customers perceive the value of a social audit. The fact that The Body Shop puts its caring and social concern rhetoric into practice is confirmed by the quality and variety of its campaigning and community involvement initiatives. Although the environmental and humanitarian values of The Body Shop are widely acknowledged, the research revealed little awareness of the company’s other social and community activities, including its Community Trade initiatives (http://www.thebodyshop.com.au/about/newbotline/highlights.html).24

North Limited and Energy Resources Australia Ltd. (ERA)

As I explained earlier, North Limited is the parent company of Energy Resources Australia Ltd. (ERA), currently mining uranium in the Kakadu Word Heritage Area of the Northern Territory.25 ERA also operates the Ranger open cut uranium mine and processing plant, approximately 22 km south of the Jabiluka site. On 15 June 1998, ERA commenced construction of its Jabiluka project and completed construction of the first stage of the Jabiluka mine development on 4 July 1999, providing access to the orebody for detailed diamond drilling. Construction work is continuing and a milling plant is now planned for Jabiluka.26

North Limited uses a form of *Triple Bottom Line* reporting in its annual reports. It offers readers a feedback sheet, eliciting comments and requests for further information. At first blush, the rhetoric of the reporting is admirable. The 1998 Environment, Safety and Health (ESH) Annual Report refers to

24 This finding raises the issue of how companies can build literacy about their operations and the contexts in which they operate. One of the Mirrar people’s recommendations for ERA and North Limited, for example, is that “there must be an immediate program of education for Aborigines about uranium: its uses, abuses, values, hazards, and safeguards” (http://mirrar.net/pages/why.html).

25 North Limited is a diversified resource company. ERA is a 68.4 per cent owned subsidiary of North Limited, with strong shareholder-customer links with electric utilities in Japan, Germany, France and Sweden. Its main objective is to sell uranium oxide mined at the Jabiluka and Ranger mines, to electricity companies in Japan.

26 The Mirrar people believe that the suspension of construction and the delay necessary to negotiate a site for the milling operation may be related to ‘outside’ factors, including low uranium prices and a desire for a Jabiluka-protest-free Sydney Olympics.
the Australian Commission for the Future’s description of best practice and commits North Limited to “the best way of doing things in our operations” taking into account: management of risk, available technology, economics, community expectations, the operating environment, social and environmental impacts and legislation, standards and codes of practice. Further, “North recognises that best practice is not a static level but is a process of continual improvement” (1998: 4).

Campbell Anderson, Managing Director of North Limited, explains in the 1998 ESH report how the Community Relations Policy has “recently been introduced.” North recognises, he says, that as a company they have responsibility to conduct their affairs in a way which benefits society as a whole. They also believe, he argues, that “our commercial objectives will best be achieved and enhanced by understanding community values and taking them into account in all of our activities” (p. 6).

The commitment from the Managing Director includes the following actions to ensure that “we understand and take into account community values”:

- “Pursue a relationship of trust with the community by identifying community expectations of our activities and developing tangible outcomes to respond to those expectations;
- Initiate open and equitable consultation with all relevant parties;
- Be transparent in our actions by clearly communicating our views, objectives and the outcomes of our activities;
- Ensure that we have the resources to identify community expectations and to integrate those expectations into our decision making;
- Recognise that each community is unique with different and changing expectations and that there may be a diversity of views within each community;
- Lead to the resolution of conflict where it arises as a result of our activities
- Report to the public on our relations with the community; [and]
- Seek feedback and foster employee behaviour consistent with this policy” (p.6).

A chart of *Priority Areas for Improvement in 1998/99* supports these commitments. While there is corporate commitment to priority areas such as community relations and environmental and community impacts, these categories have been left blank for the Ranger site (p.19). With respect to community relations, the report commits the Company to “prepare guidelines for how to appropriately engage specific interest groups, for example, indigenous community” and “prepare a consistent process for identifying interest groups, issues and impacts’ and “develop a system to consistently report interaction with the community across the North group” (p.22).

Much of the focus of this report is on “improving our performance”. Under “improving procedures for approval and management of projects,” I find a section on the Jabiluka uranium project (p.24). The report admits that “the project has attracted considerable interest because the Jabiluka lease is surrounded by Kakadu National Park and the project is commencing against the wishes of the current Senior Traditional Owner.” In justifying North’s continued operations, the report relies on the Kakadu Regional Social Impact Study (KRSIS) report of 1997, partially funded by ERA, which, it says, found both positive and negative impacts in the area as a result of mining and other developments at Kakadu. It notes further: “however, safeguards and offsets for social impacts had not generally lived up to expectations” (p.24; my emphasis). Responding to these concerns, ERA has begun to implement specific recommendations of the KRSIS report. These include the provision of Aboriginal housing, specific Aboriginal employment targets, social impact monitoring over the life of Jabiluka, funding for a

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27 This report was an independent assessment of the impact of mining on Aboriginal groups and tourism in the region and provides a community action plan to deal with the regional impacts on the Aboriginal community. Material provided by the Gundjehmi Aboriginal Corporation states that the Study found that “the measurable social conditions of the Aboriginal population of Kakadu region are no better than they were in the previous decade, and are no better than those of their neighbours. The industry, bureaucracy, infrastructure, facilities and services that provide employment and suburban modernity for the region’s workforce and allow comfortable recreation for nearly a quarter million visitors annually, have not provided any significant improvement in the measurable quality or length of life of the Aboriginal residents” (“The Social Impacts of Uranium Mining,” AUCWA home page: http://www.aucwa.org.au/australian_industry/nt_industry/jabiluka_social.html).
women’s resource centre, alcohol management programs and support for development of Aboriginal businesses in the area.

The Independent Assessment of the report was undertaken by Dames and Moore Pty. Ltd. and signed by its General Manager, Alan Deeney. Deeney notes that “Dames and Moore’s review was extended this year to include the issues that relate to the North’s operations on the community. In the case of community relations, North has yet to develop and implement a proactive community relations improvement program, however progress is being made in this area” (p.27).

In the 1999 Environment, Safety and Health Annual Report, North Limited reports that its Community Relations Management System was finalised and the first performance reviews were conducted, leading to the establishment of performance targets. No further information is provided. However, these new initiatives are detailed in the Dames & Moore independent review, which I have not reviewed.  

The ERA website provides evidence of the Company’s commitment to the triple bottom line principles elucidated in the 1998 ESH Report and the 1999 Annual Report. “Jabiluka Overview” demonstrates a holistic conception of natural and cultural areas by explaining that “Jabiluka is outside Kakadu”, as Kakadu was created progressively, after the leases were granted. Further, the pits will be specially treated, to ensure there is no leakage into the environment. The project is “safe for our environment” because of ERA’s long history of environmental responsibility and the strict internationally recognised environmental standards which will be applied.

A contentious issue for ERA has been whether ore should be milled onsite in Jabiluka or at the Ranger mine.  

A media release of 26 October 1999 reports ERA’s response to the decision by the Northern Land Council (NLC) not to consider any proposal in relation to trucking ore from the Jabiluka mine to the existing Ranger mill for processing until at least 1 January, 2005. ERA is making plans to build a new mill at Jabiluka, while remaining “committed to progressing a cultural heritage management plan in consultation with Aboriginal people so that their concerns can be addressed” (ERA Media Release and Stock Exchange Announcement, 26 October 1999).

Reading the triple bottom line material produced by ERA and North Limited, it would be easy to conclude that this large mining company was au fait with the latest in management theory and practice. Even the failure of an initiative as important as the Ranger milling operation for Jabiluka-mined ore was given a positive “cultural heritage” treatment by the spin-doctors. Had I not followed the situation in Kakadu for twenty-five years, lived nearby for a year in 1992 and visited regularly, I would have probably been taken in as well. As a social planner, however, as I noted before, I am more interested in practice than I am in theory. Thus, I turned to the Web for assistance.

The Jabiluka debate is alive on the Net and there’s little evidence of understanding, appreciation or support of the Triple Bottom Line approach of North Limited or ERA. Quite the contrary: to some local Aboriginal people and many communities of ‘stakeholders’ in Australia and internationally, ERA is an environmental vandal or worse. The University of Michigan, for example, publishes a set of case studies on grassroots struggles for environmental justice in the United States and overseas in their resource centre. Among the international cases is one by Stephanie J, Sprague on “The Jabiluka Mine and Aboriginal Rights in Australia’s Northern Territory.” Complete with colour photographs of

28 Despite intensive searching, I could not locate that Dames and Moore report on the North Limited or ERA website.

29 The “Ranger mill alternative” involves the construction of a 22.5 km. haul road to transport ore from Jabiluka to Ranger and back-haul low-grade uneconomic ore from the Ranger stockpiles to be used underground as cemented fill.

30 By this time, the first phase of construction had been completed, the ore body excavated and drill core samples recovered for geological evaluation.

31 It is difficult to believe that at this late date, these ‘concerns’ can now be satisfactorily addressed. The Mirrar believe that mining activity on the Jabiluka mineral lease presents “a genocidal danger to their living tradition.” They also believe that their living tradition has sustained an extreme attack as a result of the process by which industrial development has taken place. (http://www.mirrar.net/pages/why/html).

32 See http://www.umich.edu/-snre492/cases/html.
Midnight Oil’s performances at the Jabiluka Blockade, this comprehensive student report summarises the complex issues surrounding uranium mining in a sacred and ecologically sensitive environment. It explains the political context, the relationship between environmentalists and Aboriginal leaders fighting the mine and provides links to the websites of “key actors”, including ERA, the Gundjehmi Aboriginal Corporation (traditional landowners), environmental groups and the Howard Government. It also provides a comprehensive analysis of the demographics of the region which includes Kakadu National Park and offers suggested strategies for ameliorating the current controversy.

Here, in Elkington’s “x-ray environment”, a student at a United States university has prepared a highly credible piece of research—accessible by anyone with access to the Internet. And here, supported by the information the linked websites, we find the narrative the deeper story of Jabiluka—and North Limited. While it is not the place of this paper to report all the voices that tell a different story from the limited and sanitised story in the Triple Bottom Line reporting, some comments are necessary. If we take two of the Revolutions, Transparency and Partnerships, we can see that the reported accounting does not really account for what has been happening at and about Jabiluka.

Let’s return to three audit questions related to the Transparency Revolution:

- Is our communication credible and effective?
- Does it engage the emotions and perceptions of target audiences?
- How do we know?

How do ERA and North Limited fare according to those questions?

Is our communication credible and effective?

Reading the material provided by a range of environmental groups and the Mirrar people (the traditional Aboriginal owners\(^{33}\)), it’s abundantly clear that North Limited and ERA have not engaged in credible and effective communication with all those who consider themselves stakeholders. Some of the assertions in their reports are simply not believable to me—a person with an education in social planning and environmental studies.\(^{34}\) A wide array of environmental organisations is currently fighting the Jabiluka mine. These include Friends of the Earth, The Australian Conservation Foundation, The Wilderness Society, the Environment Centre NT, Lismore Campaign for Nuclear Free Future and many others. They argue that radioactive tailings, left behind in the wake of mining at Ranger, continue to threaten the environment. A rigid monitoring program in effect for hundreds of thousands of years will be necessary. Otherwise, the tailings will inevitably permeate the Alligator River system. They also oppose the use of uranium in any type of weapons production, which they claim could be an indirect result of mining at Jabiluka. Further, environmentalists claim that “fundamental design mistakes” at the Ranger mine site increase the risk of contamination of Kakadu because rainfall records used to estimate total annual rainfall at the Ranger mine site were inaccurate. To handle this problem, ERA regularly applies for permission to release water into the Magella Creek system and their requests are denied. In the 1994/95 wet season ERA went to court to override the concerns of downstream, traditional owners and could legally have released contaminated water into the Magella system.

From the perspective of the Transparency Revolution, ERA is not operating openly. There is considerable evidence to show that that the proposed development of the Jabiluka mine will involve considerable de-watering of the underground tunnels as the ore is situated below the water table. The contaminated water will need to be disposed of, adding to the already critical water management problems (AUCWA Home page: http://www.aucwa.org.au/australian_industry/nt_industry/ranger.html).

Further, there is the problem that uranium is not the safe fuel it’s supposed to be, according to the ERA public relations material. Many would argue that uranium is the world’s most toxic element. Mining uranium is a highly dangerous activity with serious social and environmental health consequences. Uranium mining has the potential for negative consequences for the Aboriginal groups of the region, is likely to adversely impact upon the surrounding Kakadu National Park and associated Magella wetlands, will unnecessarily irradiate workers and the residents of the Kakadu region.

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33 The Mirrar are represented by the Gundjehmi Aboriginal Corporation. Their Executive Officer is Jacqui Katona.

34 Particularly the assertions that uranium is the cleanest and safest fuel on the planet.
While the World Heritage Committee on 12 July 1999 confirmed, by a majority of 20:1 that the Jabiluka project would not cause Kakadu’s World Heritage status to be placed in danger, ERA has not been open about the extent to which the existing Ranger mine has had detrimental effects on the cultural heritage of the area.

Does our communication engage the emotions and perceptions of target audiences?

The communication strategies of ERA and North Limited certainly engage the emotions and perceptions of the target audiences—but the responses are often negative. Environmental activists claim that “all of the social studies in the Kakadu are have found that the negative aspects of mining outweigh any positives and that, in the most sympathetic perspective, the promised benefits of mining have failed to eventuate. They are not convinced by the rhetoric of community development.

The Mirrar People

The emotions and perceptions of the target audiences of Mirrar people, the traditional landowners, clearly have been affected by the proposed operation at Jabiluka, as they have been by the Ranger mine. The Mirrar Clan is the only clan group with ultimate rights and obligations to the land within the Jabiluka excision. Other clan groups are affected by the area and the Mirrar owe responsibilities to these groups. Thus, they are stakeholders speaking on behalf of stakeholders. And, significantly for our Triple Bottom Line investigation, they regard others as stakeholders as well.

Thus, the Mirrar Clan has invited people who regard themselves as stakeholders to assist them in their cause—to stop uranium mining at Jabiluka. They say,

The Mirrar People have fought to protect country and people from uranium mining for many years. Now, we are defending our country against the Proposed Jabiluka Uranium Mine. We invite you to come to our country to join our struggle to uphold the cultural and environmental values of Kakadu


The timeline for the Jabiluka Campaign is set out by Mirrar Online. They date their public campaign from September 1996. They proudly remind us that in April 1999, Yvonne Margarula and Jacqui Katona were awarded the Goldman Prize for grassroots environmental activism. The Australian Senate Inquiry report in June 1999 overwhelmingly supported the positions of the Traditional Owners that the mine should not proceed. Further, the UNESCO World Heritage Committee found that Jabiluka Uranium Mine posed serious negative impacts on the World Heritage values of Kakadu. In September, all work at Jabiluka ceased in definitely. The Northern Land Council (NLC) voted in October 1999 to respect the Mirrar’s rejection of the Ranger Mill Alternative and for all negotiation on the Mill to cease for five years. A front-page story in the Australian on 9 November highlights the fallacy that Ranger has helped the local Aboriginal people. Rather than help, it has caused a negative social impact on Aboriginal people. Thus, establishing another mine would only serve to compound those problems (http://mirrar.net/pages/timeline.html).

The Mirrar argue that no provision has been made for any forum to properly consider the concerns of traditional owners regarding Jabiluka. They believe that they have experienced great difficulty in receiving any recognition as traditional owners in any process associated with the proposal. They call attention to the social impact study which showed that mining has not improved conditions for the Aboriginal community. And they argue that if final approval is given for the project, the result will be devastating for this community and will continue to undermine the cultural values of the World Heritage Listing of Kakadu National Park. Further, they say that they will not tolerate interference with a sacred site and they will not participate in any forum or process which recognises an unconscionable agreement, fails to act to protect country and compromises the interests of traditional owners.

As the sustainability transition builds, can we maintain or achieve competitive advantage without new forms of stakeholder partnership?

Given that a wide range of people with varying interests regard themselves as ‘stakeholders’ in Kakadu and the operations at Ranger and Jabiluka, it appears that North Limited will have difficulty maintaining competitive advantage without new forms of partnership. So far those relationships have not been established. Or where they have been established, they have not proved to be stable and flexible enough to withstand changes and political storms.

35 Protecting or “caring for” country is one of the key responsibilities of Aboriginal relationships with the land.
Which stakeholders should we involve in developing our sustainability audit – and how? Which current critics might become future “complementors”? Again, it is clear that North Limited and ERA need to involve a much wider range of stakeholders in their audits, though it is not clear whether they have undertaken audits to date. If asked, would our key internal stakeholders (particularly employees) say that we are “walking the talk”? This is not able to be assessed at this time.

Where partnerships are needed, how do we choose strategic triple bottom line partners, particularly from amongst the ranks of campaigners? Here a great opportunity exists to work with the Mirrar people and environmental groups in a collaborative way. This will require a complete change of approach for North and ERA. I wonder if they are up to it. Christine Christopherson, a project officer with the Mirrar people, was invited to address the North Shareholders meeting in 1999. She argued that the Mirrar reject the legitimacy of the 1982 Agreement as being procured via deceit and duress. She clearly stated that the Mirrar people of the Kakadu region “will fight this proposal until it is shut down by legal, political or economic means.” She spoke to the shareholders about the “bottom line”: “I encourage North shareholders to assess this massive cost imposition [the cost of milling at Jabiluka rather than at Ranger] as an unavoidable reality and not risk your investment on the basis of bluff and bluster from the Executive of ERA and North.” Christopherson concluded her presentation with a strong statement to the shareholders, making it clear that the concept of shareholder—or stakeholder—needed to be expanded:

“I stand here today proud and resolute to warn the shareholders of North that you ignore the Mirrar at your imminent financial peril. The Mirrar will fight the Jabiluka mine to the end. So for your own financial sake, as well as the future of the Mirrar, I encourage you to do everything in your power as shareholders to prevent the Jabiluka mine proceeding.”


How do we develop and sustain such relationships? What are the likely benefits, and how can we maximise them? Where are the downside risks, and how can we minimise them? The Body Shop example shows how some of these relationships could be established and maintained. Perhaps they could offer some training to ERA and North Limited?

6.0 Conclusions

Triple Bottom Line reporting is a form of social accounting. As I said at the start, it’s a great improvement. But I believe that the sad case of North Industries and ERA at Jabiluka reveals that a cynical financial bottom line cannot be masked by mere rhetoric. And even good intentions must be met by commitment, artfulness and action. These companies have got themselves into a very difficult situation in a delicate market that is highly sensitive to manipulation. They have shown that they do not yet respect two of the revolutions in particular: the transparency revolution and the partnership revolution.

I found the emphasis of North Limited and ERA to be on accounting rather than accountability. Reviewing some of Elkington’s questions, I found that their communication was not credible and ineffective. By contrast, The Body Shop’s social audit research, conducted in 1999 with employees and customers, reveal convincingly that they do engage the emotions and perceptions of target audiences. They know because they have taken the effort to research them.

These companies are very different. And there is no question that The Body Shop has occasionally “lost the plot” and needed to refocus its operations. But when it comes to accountability, you would be struggling to find a company operating in Australia that is more respected. 36

So let's imagine that ERA and North Limited decided to pursue Triple Bottom Line accountability instead of accounting. Imagine if they conducted environmental campaigns and considered the cradle-to-grave impacts of their operations. Imagine if they considered the Mirrar, the environmentalists and the wider communities of interest in Australia and overseas as their 'stakeholders'. Imagine if they refused to engage neither in unsafe work practices nor to use any materials that were the product of inequitable or unsafe practices. What if they were to become a model employer—a place to be proud to work?

And imagine if North Limited and ERA could commit themselves to the rhetoric and practice of The Body Shop: to be transparent about their operations, to acknowledge and involve a wider range of stakeholders, to seek feedback on their operations in systematic ways, to open their operations to their most vitriolic critics, and to examine the whole of their operations (including impacts of operations by suppliers) in ways which extend far beyond mere accounting practices.

In rethinking Elkington’s social bottom line and reflecting on my own practice, I would reiterate these questions:

- How widely can we cast the net to include all relevant stakeholders (everyone who considers themselves a stakeholder)?
- How long will it take trust to be established with these groups?
- How can we apply our ethics beyond mere marketing and public relations?
- How can we, as a company, demonstrate moral and intellectual leadership?
- How can we commit to expanding the literacy of our stakeholders and affected communities?
- To what extent are we willing to change and admit our past mistakes?
- How open do we really want to be to public scrutiny?
- How complete and rigorous are our attempts at feedback?
- How can we be confident that the ‘social’ has status and is not still the “poor relation” in Triple Bottom Line reporting?
- How can we counter the anthropocentrism inherent in these reporting mechanisms to ensure that the voices of non-human Nature are heard, listened to and given status?
- How can we transform the workplace so that people will be proud to work in our company?

And how can we become good corporate citizens and responsible neighbours—responsible to all neighbouring and affected communities—human and non-human?

Even if North Limited and ERA were to address all of my questions tomorrow and modify their operations accordingly, I doubt that those changes would ever convince me that uranium is a safe fuel or that uranium mining has not irretrievably damaged the cultural values at Kakadu.

I am still sceptical about the Triple Bottom Line. It’s open to abuse by marketing and public relations folk. Moreover, it’s certainly not being used by North Limited and ERA in the manner in which Elkington clearly intended it to be used.

When an open and equitable process for deciding the future of the proposal for the Jabiluka uranium mine is set in place and a truly collaborative process is undertaken with all who regard themselves as stakeholders (me included!), I’ll be more interested in the concept of Triple Bottom Line reporting.

Until then, I’ll continue to care and be concerned about the Magella Creek system, the South Alligator River, the Pandanus, the Lophostemon, the paperbarks…

And the Mirrar.

And the wild and sacred places they call home.

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37 See Appendix A and B for two dramatically different feedback sheets from recent Annual Reports of North Limited and The Body Shop Australia and New Zealand.
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Health, safety & environment
Sustainable Development Debate

Hood, John (1995). “Capitalism benefits the environment” from “How green was my balance sheet?”
Policy Review, Fall. (National Center for Policy Analysis)
http://www.ncpa.org/pd/pdenv23.html


“Australia dragging its feet on environmental and social reporting”, Australian CPA July 1999


http://www.globalideasbank.org.BOV-373.html

Deegan Craig (1998). “Triple bottom line reporting, a new approach for the sustainable organisation”.


Communicopia: corporate responsibility
http://www.communicopia.bc.ca/profile/resp.html

Scotland: The triple bottom line program
http://www.scotweb.co.uk.environment/che/triple.htm


Why Sustainable Communities? Sustainability Indicators Project
http://www.stevieray.ci.austin.tx.us/sustainable/why_sust.htm

Environmental and Accountability Related Journals

- British Accounting Review
- Accounting Organisations and Society.
- Environmental Accountability Journals
- Accounting, Auditing and Accountability Journal
- Accounting Forum
- Colorado Journal of International Environmental Law and Policy
- Journal of Business Ethics
Environmental Web Pages

- EPA-NSW State of the Environment
- Centre for Social and Environmental Accounting Research
- Ethical Business (UK)
- Asian Environmental Review
- The Corporate Environmental Reporting Plaza

Social Reporting Resources

New Economics Foundation
Cinnamon House,
6–8 Cole Street,
London SE1 4YH
Tel: 0207 407 7447
http://www.neweconomics.org

CEP Accreditation Agency
Windsor House,
83 Kingsway,
London, WC2B 6SD
Tel: 0207 831 9429
http://www.cepaa.org

Institute of Social and Ethical Accountability
Thrale House,
44-46 Southwark Street,
London SE1 1UN
Tel: 0207 407 7370
http://www.accountability.org.uk
# APPENDIX A

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**THE NEW BOTTOM LINE**

*We need your feedback!*

Your comments and suggestions will help us improve future reports

*Please tick the box that corresponds with your answer*

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>1. Do you think the information reported is relevant for the stakeholders concerned?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2. Do you think the report covered stakeholder relationships in enough detail?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3. Do you think the information reported was credible?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4. Were the figures, tables and graphs presented clear and understandable?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5. Were you able to easily find the information you were looking for?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>6. Were the Social Audit targets identified clear and understandable?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>7. Were the environmental targets identified clear and understandable?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>8. Was the Social Audit verification statement credible?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>9. Was the environmental verification statement credible?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>10. Do you believe more companies should publish independently verified information?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>11. Having read this report has your perception of The Body Shop changed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Better</td>
<td>☐</td>
<td>Worse</td>
</tr>
<tr>
<td>12. How did you get your copy of the report?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Launch mail out</td>
<td>☐</td>
<td>At Conference</td>
</tr>
<tr>
<td>Requested via telephone</td>
<td>☐</td>
<td>Accessed via internet</td>
</tr>
</tbody>
</table>

13. Which stakeholder group best defines you/your organisation? For example: Employee, Customer, Supplier, Media, NGO, Community Group:

14. Do you have any comments or suggestions?

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Thank you for taking the time to complete and return this form

Please return to: Manager of Stakeholder Development either by fax (03) 9560 0033 or to address over page.
<table>
<thead>
<tr>
<th>Optional Information</th>
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<tbody>
<tr>
<td>Your Name:</td>
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<tr>
<td>Organisation:</td>
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<tr>
<td>Address:</td>
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<td>Telephone:</td>
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REPLY PAID 274

Manager of Stakeholder Development
The Body Shop
Cnr Wellington and Jacksons Roads,
MULGRAVE VICTORIA 3170

APPENDIX B

1998 ESH report questionnaire

We would like your feedback on this report and our ESH performance. Please fill out this reply paid questionnaire and return it to us.

1 What was your overall impression of this report?

2 What information was of most value?

3 What information was of least value?

4 What other information would you like to see included in future ESH annual reports?

5 Do you have any other comments on this report or our ESH performance?