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National Social Licence Forum Summary

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Report information sheet

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Executive summary

The problem

The objective of this project is to examine trust and social licence in the New Zealand natural resources sectors. This specific event, the inaugural national forum on social licence in New Zealand was an opportunity to bring together researchers and representatives from community/environment groups, government, farmers, forestry, and processing sectors to discuss several aspects of social licence in a 'safe' environment.

This project

On November 15, 2017, as part of the Our Land and Water NSC project on trust and social licence in New Zealand natural resource sectors, Scion hosted an inaugural national 'forum' on social licence in New Zealand, at the Beehive. This forum brought together approximately 25 researchers and representatives from community/environmental groups, government, farming, farm forestry and processing sectors. We believe this is the first time that multiple sectors, along with community, government and researchers have been brought together to discuss a topic that is extremely relevant for New Zealand businesses. Five key areas of discussion were undertaken during the day:

1. What is a social licence? Discussion around how different groups see social licence and what it means to them.
2. What are the benefits of social licence to New Zealand businesses and communities?
3. Are there costs associated with social licence? Costs of not having a social licence and costs associated with gaining and maintaining a social licence.
4. What barriers do participants feel exist to gaining and maintaining a social licence, and what gaps in knowledge can research help fill?
5. What are participants' thoughts about future social licence research?

Further work

Input from all participants has been used to further develop and strengthen an MBIE bid, led by Scion, to investigate social licence, risk and conflict through natural resource value chains.

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Table of contents

Executive summary	3
Introduction	5
Materials and methods	6
Results and discussion.....	7
Recommendations and conclusions	12
Acknowledgements	13
Appendix A – List of attendees.....	14

Introduction

This research will examine trust between government, industry, community and media and its effect on communities' acceptance of resource-based activities. With increasing societal expectations, the primary sector has never before been so intensively scrutinised by the public. Across agriculture, forestry and fishing, resource development is becoming increasingly intensified, facing domestic and international pressures. Social licence to operate (SLO) has become an increasingly important issue. Without a SLO, litigation, direct and indirect conflict and regulation generated through a loss of confidence may reduce competitiveness, hinder expansion and, in some cases, lead to closure for companies.

Understanding the value of building trust is of particular importance in the post-truth era, which is characterised by populist appeals to emotion and the proliferation of information and misinformation. Post-truth is understood to significantly damage the foundations of trust that is required in a healthy society. Therefore, SLO across the primary sector has become critically important to the future competitiveness of New Zealand's primary sector, particularly its ability to implement transformational innovation.

The project will deliver a greater understanding of the importance of trust and relationship building across the primary sectors, providing a foundation for further work on building new approaches to developing and maintaining social licence. As part of this, we will develop and host an inaugural community-industry-research forum/learning hub on social licence in New Zealand.

Materials and methods

One of the deliverables for this project was to develop and host an inaugural national forum on social licence to operate that would include community, government and multiple sector representatives from across the value chain, as well as researchers. Dr Toni White from AgResearch was contracted to facilitate the forum.

Research team members were asked to forward invitations and the forum programme to prospective attendees, inviting them to attend the event. Approximately 25 individuals responded positively to the invitation.

The forum programme was as follows:

Social Licence and Trust in the New Zealand Primary Sectors Inaugural ‘National Forum’

Date: Wednesday, November 15, 2017

Time: 9:30 (for a 10:00 start) to 3:00 (at the latest)

Aim: To provide a safe, non-confrontational forum for various primary industry representatives to discuss practical aspects of social licence

Venue: Members Only Dining Room, The Beehive, Wellington

Programme

09:30 – 10:00	Arrival, tea/coffee/muffins	
10:00 - 10:15	Welcome, introductions, housekeeping	
10:15 – 11:00	What is social licence? Short presentation by research team, followed by attendees discussing their understandings and perceptions of social licence	<ul style="list-style-type: none"> • Expand understandings of social licence • How/why do industry/ community see social licence in their particular way?
11:00 - 12:00	The Our Land and Water project and some early findings Research team to introduce the current Our Land and Water NSC project and some early results	<ul style="list-style-type: none"> • Introduce ‘pilot’ project • Provide some early understanding of trust and its implications
12:00 - 12:45	Networking lunch	<ul style="list-style-type: none"> • Provide a casual environment for industry and researchers to discuss social licence and share experiences
12:45 - 2:30	Social licence issues, challenges, needs, benefits, costs and impacts to/on industry (Participants)	<ul style="list-style-type: none"> • Explore the challenges and opportunities around social licence from industry/ community perspectives
2:30 – 3:00	Wrap up, next steps	

Questions to think about the afternoon session:

1. What are the benefits of industry and community having negotiated a social licence? What is the value of a social licence to industry and community?
2. Conversely, what are the costs of not having a social licence?
3. What are the barriers or knowledge gaps to having a better social licence outcome?
4. How would you like to be involved in the future research? What role could industry and/or community play in our future research?

Results and discussion

Summary of the Inaugural Social Licence National Forum
November 15, 2017, Members Private Dining Room, The Beehive, Wellington

Discussion 1 – What is a social licence?

Presentation of the insights from work that CSIRO has done in the mining industry in Australia and globally. There are many definitions and conceptions of what social licence is, however, repeated themes of community *approval*, *acceptance* and *tolerance* for an industry or operation have emerged. Industry has noted that there is increasing complexity and global community. While there are certainly global communities of interest, much of the focus for social licence is on local communities, where it may be easier to gain the trust of those communities; trust is a core aspect. Local communities are quickly learning that they have power.

Subsequent group discussions around what is a social licence provided the following thoughts:

1. That social licence is a growing issue across industries, sectors, the government and science that reflects social pressure to change rather than markets. It's presence or absence can influence international markets and consumer purchasing decisions. It recognises that the social exists and can provide an outlet for critique of long-established land use practices. At times, social licence can seem like a corporate PR exercise.
2. Social licence is an ongoing, people-focused conversation, dialogue or negotiation with local and global communities of interest. It necessarily involves identifying the communities of interest, their values, beliefs, perceptions, opinions, listening to them and understanding their expectations. There was some disagreement amongst participants as to whether social licence was solely an outcome or whether or not it could be considered a process, method or tool.
3. General consensus was that it was community acceptance of an industry or its operation(s), fuelled by legitimacy and transparency, trust, tolerance, proof and practice. It may also involve a lack of conflict between communities and industries/operations. It needs to be recognised that trust varies between individuals, and that in summary, social licence is a balancing act between community and industry.
4. Social licence is not static nor permanent. It is simultaneously achievable, vulnerable and can be lost, is time bound, and can change due to disruptions or disturbances, changing values (producers, processors, consumers, citizens). It is a reflection of current power dynamics, and must take into account intergenerational aspects.

In terms of what participants felt that it meant for their industries, there was agreement that it can mean different things for different industries, companies or communities, and is tied to a particular context, scale, identity, location or provenance. Issues that social licence can cover included environmental credibility, animal welfare, the ability of industry to attract resources (human, financial or otherwise), personal pride (or shame) for employees, and generally looking after and contributing to people and communities.

Discussion 2 – Benefits of social licence

This discussion started to refine the question by examining the benefits of a social licence for industry and for communities. In general, it was felt that a social licence can build better relationships and thus reduce or eliminate conflict between stakeholders.

Particular benefits for industry included:

1. Allowing better, more informed decision-making and becoming a better practitioner through understanding of diverse perspectives. This could also involve changing of norms and behaviours.
2. Allow better positioning in the marketplace through brand and reputation management – being seen as a good player, credibility in international markets, and providing stability in the domestic economy. It may also provide access to new markets.
3. More practically, it was seen as something that could be part of a business continuity plan, as well as providing policy and investment stability – providing, for example, security under

planning frameworks in New Zealand and giving investors the confidence to invest. It may also help industry with regulatory compliance requirements

4. It benefits industry through making it easier to access resources, i.e. financial investment, recruitment and retention of employees, and the ability to grow a business.
5. Integration of social values into business; creating better collective outcomes for industry and communities and building or rebuilding of communities through decreasing us/them conflict. The negotiation process may also allow multiple communities of interest to co-exist more harmoniously.

Particular benefits for communities/civil society/publics included:

1. 'Practical' benefits such as improved animal welfare, environmental sustainability, work conditions, etc.
2. Greater awareness of what the company is doing and planning to do, thinking and discussion about the consequences of a decision. Allowing the community to participate in the industry, building positive relationships and giving the community the ability to say NO.
3. Social licence provides a clear avenue for procedural fairness – a defined way to have a say in an ongoing way.

Discussion 3 – Costs of social licence

Participants primarily discussed the cost to industry of not having a social licence, with a few thoughts on the potential costs associated with having a social licence.

Potential costs of not engaging with communities or having a social licence included:

1. Generally, vulnerability and risk.
 - a. Risk of loss of market, reputation (international and domestic).
 - b. Risk of being 'blind-sided' by changing views in communities of interest.
2. Exacerbation of tensions across sectors, including social conflict, disharmony, and polarisation.
3. Protracted costs and uncertainty, including higher transaction costs (spending on lawyers), costs for shareholders, lack of investment, constrained growth or expansion, and potential collapse of the sector.
4. Risk of employment loss for communities, breakdown of communities.
5. Increased regulation as a fall back (this is not always a good or appropriate tool).

Potential costs associated with having a social licence included:

1. Through addressing issues, the company was potentially opening themselves up for sustained critique, which could damage reputation.
2. Many possible technical requirements to meet community expectations are expensive.
3. The continued exclusion of Maori, Treaty rights and tangata whenua.
4. It may be overall, a less democratic process and outcome.

Discussion 4 – Barriers and gaps

The barriers and gaps discussion opened up a number of avenues where future research could be pursued. Summarised avenues for research and possible questions include:

1. Social licence and regulation.
 - a. What are the boundaries between social licence and legislation/regulation? When is a social licence required vs. regulation? How does social licence interface with compliance?
2. Identification, measuring and monitoring.
 - a. What does social licence look like? Can we measure it? How is it possible to measure it? Related, how does one create an 'early warning system' so industry can tell if they are going outside of social/community norms? Is there a way to create a baseline? What data do we need? Are there ways to measure/monitor trends in social licence?
3. Communities, authority and negotiation.
 - a. Recognition of appropriate communities of interest; which communities are relevant for what? Are there community influencers and how are they recognised? What values matter and how are they changing? How does industry recognise changing values and community perceptions? Does our current understanding of communities reflect contemporary commercial/ industrial environments?

- b. Are there social licence 'hot spots' along the value chain? Where are they and why are they there? Identification of appropriate 'areas' for social licence; identify circumstances where social licence should not be given/ granted.
 - c. When has negotiating social licence been worthwhile and when has it not been worthwhile? Are there common points or lessons to be learned about where social licence negotiations fail? As social licence is ongoing, how do you keep people interested and engaged? Who gets to define the parameters of the negotiation/ dialogue? Do all communities get the same authority or responsibility? Are there institutional arrangements that lead to or promote social licence?
 - d. Terminology – is social licence the right term?
4. The nexus between social licence, government, electoral processes and democracy.

Discussion 5 – Future involvement

There were a range of ideas around future engagement and involvement of industry, community and government. Some participants were interested in engaging in in-depth discussions around research design and outcomes, while others were interested in being part of an advisory group or community of practice. Any advisory group or community of practice would be funded as part of a future MBIE bid. The advisory panel/ community of practice (and others) would be key contributors to the bid process and, if successful, test research directions and progress, providing feedback and insight.

Preliminary results from the current social licence project and some learnings/reflections

Preliminary descriptive results (further analysis will be undertaken, and we will provide a summary to this group, as well as the respondents that indicated that they would like a summary).

1. Survey respondent demographics:
 - a. 53% male; 47% female respondents
 - b. All New Zealand residents from New Zealand, Australia, United Kingdom, Canada, Hungary, Zambia, and Thailand.
 - c. Mean number of years resident in New Zealand – 38
 - d. 16% Māori; 84% non-Māori
2. General trust
 - a. Ease of trust amongst respondents 3.33 on a scale of 1-5
 - b. Trust in candidate sector 83% trust sector; 17% distrust sector
3. Trust in candidate sector has generally remained constant or increased.
4. Key factors contributing to trust - honesty, transparency, communication, openness, relationships, experience and history
5. Key factors contributing to distrust – dishonesty, poor communication, bad previous experiences, poor past behaviour, history, inconsistency, hypocrisy and poor/lack of information
6. Some emerging factors associated with trust in primary sector businesses include:
 - a. Being organised, capable and having expertise
 - b. Good experiences with people in the sector/ business
 - c. Business/ sector is good for the local economy
 - d. Business/ sector enforces strong roles and standards
 - e. They employ good, capable people
 - f. I know people in the sector personally
 - g. The sector/ business has a good reputation
7. Some emerging factors associated with distrust in primary sector businesses include:
 - a. The sector/ businesses don't act responsibly
 - b. There is not a good culture
 - c. They have done something I dislike
 - d. The sector/ business doesn't have good values

Some learnings and reflections on the survey and project (these will factor into how we analyse the data, and feed in to future research projects on social licence).

1. Small sample size (90 at the time of the forum, 130 at end of survey). This will not allow for any generalisation of the results. This project will remain firmly at pilot project.

2. Data is very skewed towards the forestry sector. We will not be able to make any inter-sector analyses.
3. Survey and data are quite biased towards industry/ business, therefore it will be difficult to draw any conclusions for communities.
4. Concerns around examining generalised trust versus particularised trust. However, generalised trust can provide some insights into further examination of particularised trust.
5. Any further research, including data collection instruments should involve wider input and testing to ensure that all possible aspects are as robust as possible.

Recommendations and conclusions

Agenda for the future

1. Further discussion and understanding of the benefits of social licence with other industry and community stakeholders. We would especially like to get a better understanding of the benefits to communities, government, Maori and other stakeholders.
2. Development of a project proposal to be submitted to MBIE to examine aspects of social licence. This will be developed in conjunction with industry, community and government so as to have wide applicability, be robust and address the issues that are relevant to them.
3. As part of the MBIE bid, put together an advisory group/ community of practice comprising industry, community, government and researchers (domestic and international) to provide feedback on completed research outputs and provide input and advice into upcoming research.

Acknowledgements

We would like to acknowledge the following people who helped in a myriad of large and small ways setting up this event:

- James Baines (Taylor Baines and Associates) for assisting with some early forum programme planning.
- Rebecca Kennedy (Department of Internal Affairs) for putting in motion the arrangements that led to the forum being held in the Members Private Dining Room at the Beehive, Wellington.
- Sophie Tavoi (Epicure) The events coordinator for the Parliamentary Service's catering contractor who made the arrangements to use the Members Private Dining Room and the catering.
- Mary-Anne Gloyne (Scion) who took care of travel arrangements for Scion participants and international attendees.
- Toni White (Ag Research) for agreeing to facilitate the forum on rather short notice, and preparing a well-planned and productive day.

Appendix A – List of attendees

Attendee list for the Social Licence and Trust in the Primary Sectors to be held on November 15, in the Members Private Dining Room, Beehive.
The event will run between 09:30 and 15:00.

Name	Organisation
Peter Edwards	Scion
Carel Bezuidenhout	Scion
Sandra Velarde	Scion
Karen Bayne	Scion
Aysha Fleming	CSIRO
Justine Lacey	CSIRO
Libby Pinkard	CSIRO
Libby Lester	University of Tasmania
Tracy Williams	Plant and Food Research
Deborah Tod	Plant and Food Research
Margaret Brown	AgResearch
Toni White	AgResearch
Bill Kaye-Blake	Price Waterhouse Coopers
Hugh Campbell	University of Otago
Chris Rosin	Lincoln University
Alvaro Romera	DairyNZ
Kara Lok	DairyNZ
Anna Crosbie	Ministry for Primary Industries
Murray Doak	Ministry for Primary Industries
Naomi Parker	Ministry for Primary Industries
Raewyn Baldwin	Worksafe
Edy MacDonald	Department of Conservation
Mark Wren	Synlait
Cath Wallace	Eco
Tim Thorpe	New Zealand Institute of Forestry
Chris Livesey	Farm Forester
James Barton	Farm Forester
Andrew McEwen	PEFC Forest Certification
Rowena Hume	Beef & Lamb
Helen Payn	VUW