A. TITLE OF PROJECT

1.2.1 Frameworks for achieving and maintaining social licence

B. IDENTIFICATION

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C. ABSTRACT

Utilisation of resources in the New Zealand marine environment is constrained by public opposition as much as by regulatory requirements. The concept of social licence to operate (SLO) refers to public acceptance of commercial operations notwithstanding any government or legally-granted right to conduct specific activities. Without SLO, a business may carry incur serious delays and costs. This project will investigate what communities expect and require in order to grant SLO for marine industries in New Zealand (e.g. fisheries, aquaculture, and mining). The research will identify elements of social licence and report on how the concept of social licence could be applied to the sustainable management of New Zealand's marine environment, considering our unique historical and statutory contexts, including the Treaty of Waitangi. We will investigate how social licence can be achieved and maintained, including how SLO pertains to offshore activities with less defined communities of interest. In the process, we aim to improve understanding of how risk and uncertainty associated with marine industries are perceived by communities, and how this affects social licence. Finally, we will identify methods to measure and monitor social licence over time, both by commercial entities and by their communities of interest.

D. INTRODUCTION

Most of the changes in our oceans and coastal areas, including loss of biodiversity and taonga species, the modification of ecosystems and seascapes, and climate change, are driven by human activities. There have been numerous calls for new marine policy and management frameworks to balance multiple uses, to engage multiple sectors of society in decision making processes, and to transform management to better cope with change.[1-7] SLO is a concept that seeks to respond to this trend for greater public involvement in environmental decisions. The term social licence to operate emerged in the mining industry, which needed to rebuild its reputation after a series of environmental disasters in the 1990s[8]. In the last two decades, the concept has been used in forestry[9,10], pulp and paper manufacturing[11], energy[12] and other sectors[13,14] to reflect the need for industry to work

collaboratively with local communities of interest in order to address concerns about risk to, and competing interests in, natural environments.

Some parties have suggested that the concept of social licence is dominated by an industrial discourse and is an attempt to avoid more collaborative processes to determine pathways for sustainable development.[15] As used here, social licence is much broader than this, and concerns the quality of the relationships between commercial entities and communities of interest including, in New Zealand, iwi/Māori.

While the concept of SLO is well developed in some other countries, it mostly pertains to locally-defined activities in terrestrial environments and much of the experience with SLO is in developing countries. In New Zealand, SLO is a recent 'arrival' and its meaning and application are still emerging. Little has been written, for example, with respect to SLO and the Treaty of Waitangi, kaitiakitanga and the associated co-governance aspirations of iwi. Furthermore, our marine industries operate in both coastal and offshore environments where communities of interest are not always well defined or operate at very different social-geographic scales. This creates both challenges and opportunities for New Zealand to create a unique understanding of SLO and how it can contribute to socially-inclusive EBM and sustainable utilisation of NZ's marine environment.

E. AIM OF THE RESEARCH AND RELEVANCE TO OBJECTIVE

The research has three primary aims:

1. To develop a definition of SLO that is appropriate for New Zealand's marine environments, recognising the Treaty of Waitangi and the special characteristics of both coastal and offshore environments.
2. To identify approaches, processes and methods for commercial entities to develop and maintain a social license to operate in a manner that promotes sustainable utilisation of resources based on socially inclusive ecosystem based management.
3. To recommend indicators and methods for communities and commercial entities to assess SLO, in order to support continual improvement.

This project will help industry and communities to build capacity to respond to complex problems associated with high levels of conflict, risk, and uncertainty. This will be done in conjunction with project 1.2.2, which will investigate social aspects of cumulative effects, risk and trust. Ultimately, the research will support the development of a 'blue economy' by providing a firm foundation for existing and new commercial enterprises to attempt to develop and maintain positive and mutually supportive relationships with iwi and various local communities of interest.

F. PROPOSED RESEARCH

Recent empirical research demonstrates that involving communities in the decision making processes associated with industrial development, including the determination of what science is relevant and how information is collected and assessed, is fundamental to their acceptance of these industries.[10,16] In particular, the concept of trust is central to SLO[17] yet what trust means in commercial practice, and how companies gain and maintain the trust of communities, is only beginning to be understood.[18,19] Recent research overseas has found that procedural justice plays a key role in determining communities' trust and acceptance of mining operations[18] and forestry[20]. Other elements identified as contributing to trust are quality and quantity of contact between industry and communities, and the management of

social and environmental impacts[18], as well as transparency in sharing information, credibility in negotiating and abiding by agreements, and acknowledgement of mutual benefits[8].

In New Zealand, Berkett[21] found that a proposal for new salmon farms was hindered by a high degree of uncertainty over relevant knowledge and a lack of consensus on norms and values between stakeholders. There was a large divergence of viewpoints on finfish farm development between industry stakeholders and a wide range of other parties (iwi, non-government organisations, community members and government representatives).

Quigley and Baines[22] documented the perspectives about social licence of four different corporate entities in New Zealand, explored some challenges to gaining social license and offered some ideas for how it might be monitored. Their work provides a good platform for further consideration of how the concept of social licence can assist the implementation of ecosystem based management of New Zealand's marine environment.

The role of procedural fairness, collaboration, and other forms of engagement in determining social licence in New Zealand's marine context needs investigation. In the New Zealand marine context, there are multiple communities of interest (iwi, environmental, social, economic) operating at various scales (local, regional, national and international) and interacting with multiple industries (fisheries, aquaculture, tourism, transport, mining including oil and gas, alternative energy and others). All of this means that social licence is inevitably multi-faceted and complex, and there may be many different ways to obtain and maintain it.[22] Our research aims to identify common themes across these while acknowledging there will be many differences.

The Department of Conservation (Geoff Hicks) is planning to host a cross-Challenge workshop in early 2016 to explore the concept of SLO. We anticipate working with DOC and the other Challenges to develop the agenda for this workshop, and invite relevant international experts (preferably two with different views) to illuminate some of the issues around SLO in the marine environment. We will use this workshop as a launching point for two pieces of work commencing in July 2016: a literature review and interviews to identify lessons learned from SLO practice in NZ and overseas, and a discourse analysis of SLO in New Zealand.

The review of lessons learned will involve documentary evidence, literature review and interviews of both industry personnel and representatives from communities of interest to document existing practice around social licence. The discourse analysis, involving coding and analysis of data for key themes, will trace the introduction of the SLO narrative to New Zealand, the reasons for it and the discussion it has engendered. Our Māori researcher will lead interviews and analysis of tangata whenua perceptions of and reaction to the concept of SLO; this may involve a hui to explore issues of kaitiakitanga and management of environmental risk. There will be a degree of overlap (e.g. shared interviews) and iteration between these two investigations.

The results of these initial investigations will inform the design of a case study in the Challenge focal region (i.e. not limited to Tasman and Golden Bays). We will seek co-funding from a company or industry (e.g. the near shore fishing industry) to support this study, using further document and discourse analysis to explore the processes used by them to achieve

or maintain social license. We would also seek to test a model developed by Moffat and Zhang[18] for its applicability in New Zealand's marine context.

The aim of the case study is to identify the underlying concerns, attitudes and expectations of communities and how these relate to the factors that determine trust in, or at least acceptance of, a company or industry. This would involve surveying community(ies) of interest (e.g. iwi, environmental, labour, community development) for a given enterprise or industry using the same or similar questions as Moffat and Zhang and informed by methods suggested by others[8,23], then analysing the data to determine the key determinants of trust and acceptance.

In addition, we would use discourse analysis methods (e.g. Q methodology[24]) to identify different perspectives on social license and the degree of convergence or divergence on key determinants amongst industry and community leaders. Understanding differences in meaning and expectations of SLO, which is absent from the international literature, is critical to identifying the basis for a working definition and methodology in New Zealand that both industries and communities will find helpful.

Finally, to make the concept of SLO most useful, companies and communities should have a means of measuring and monitoring SLO. Two teams who have agreed to collaborate with us (Boutilier and Thomson[8] and Moffat and Zhang[18]) are pioneering techniques for measuring SLO, offering an opportunity for New Zealand to make a further contribution to the theory and practice of SLO and EBM. We will investigate the determinants of SLO identified by Moffat and Zhang, with other factors that emerge from our discourse analysis, to assess their usefulness for monitoring SLO. This will be achieved by complementing the survey results with focus group discussions with different communities of interest to explore whether these determinants can provide meaningful information to those communities. The focus groups will also enable us to explore some similarities and differences regarding SLO for different marine industries, recognising that a programme of work over several years may be necessary to understand the different nature of SLO across various marine industries.

The breadth of the case study (i.e. one industry or more) and the breadth and scale of the communities of interest (local to national) with which we engage will be determined in discussions with possible co-funding entities. If this case study is delayed or constrained, the initial studies will still extend the understanding of SLO in New Zealand's marine context, and we will still conduct a limited number of focus groups to deepen our understanding of the expectations of communities of interest.

Our research will produce findings on the determinants of and barriers to SLO in the NZ marine context, as well as 'indicators' as a means of assessing SLO. Results will be presented to conferences in NZ and overseas before being published in peer-reviewed journals as well as in formats accessible to New Zealand practitioners in government, iwi, industry and NGOs.

For Phase 2 (2019-2024), we would propose to delve deeper into the perceptions and expectations of various communities of interest – as well as across demographics of age, gender, income – and test our findings across other marine industries. This would help to validate the indicators and other findings from Phase 1.

G. ROLES, RESOURCES

Jim Sinner will provide overall leadership for the project, taking responsibility for overseeing the reviews in the first year, the case study in the second year and the analysis and write up in the final year of the project.

James Baines (Taylor Baines Assoc) and **Peter Edwards** (Lincoln University) will undertake the review of lessons learned from SLO practice in NZ and overseas, as well as assist in designing the case study and reporting the results.

Trisia Farrelly (Massey University) and **Natasha Berkett** (Cawthron) will conduct a discourse analysis of SLO in New Zealand. This will trace the introduction of the SLO narrative to New Zealand, the reasons for it and the discussion it has engendered. Natasha will lead a subsequent analysis of this discourse to identify distinct communities of interest with respect to SLO. Trisia and Natasha will also assist in designing the case study and reporting the results.

Gail Tipa (Tipa & Associates) will lead the VM theme for this project, documenting Māori perspectives on SLO and its relationship to kaitaikitanga, the Treaty of Waitangi and iwi/hapū aspirations more generally. She will liaise with the Tangaroa and VM theme leaders and with project 3.1.2 to hold a hui in the Challenge focal area in the top of the South Island to explore what kaitiakitanga means for SLO, and to help plan the Māori research component of the case study.

The budget also contains a small amount of funding for a second Māori researcher from Te Tau Ihu for the case study in Years 3 and 4; as with the other members of the team, this would need to be complemented by co-funding for the case study to be viable.

Nick Lewis, the lead investigator of 2.2.1 Creating Value from a Blue Economy, will also be involved to ensure linkages with that project.

H. LINKAGES AND DEPENDENCIES

This project will maintain close linkages with other related Challenge projects. Jim Sinner is leading project 2.1.1 (Valuation frameworks and principles) and on the team for project 1.2.2 (Navigating socio-ecological systems), which will be investigating management of cumulative impacts, perceptions of risk and issues of trust, all of which are relevant to social licence. In particular, data from project 1.2.2 will inform the development of this research. To facilitate this linkage, a workshop hosted jointly by the two research projects will be held in conjunction with the Challenge's Annual Meeting in April 2018 to present the initial findings from the research on risk and uncertainty and stimulate discussion on how these findings might inform SLO in New Zealand. Nick Lewis, leader of 2.2.1 (Blue economy), is on the team for this project, and we will work with researchers from project 3.1.2 (Kaitiakitanga in practice) when the outcome of the contestable process is known.

I. COLLABORATIONS

There are no dependencies on other programmes although we will benefit from collaborations described in the next section.

J. INTERNATIONAL LINKAGES

We have confirmed linkages with leading theorists and practitioners on social licence to operate: **Ian Thompson** (Vancouver, BC), and **Keiren Moffat** and **Justine Lacey** (CSIRO). These collaborators will:

- Suggest literature to include in review of lessons learned
- Be invited to contribute as co-authors of journal article on lessons learned
- Suggest topics to explore in hui and stakeholder workshops
- Contribute to design and analysis of case study surveys to measure SLO
- Be invited to contribute as co-authors of journal article on measurement of SLO

K. ALIGNED FUNDING AND CO-FUNDING

This project is not dependent on any funding that is formally aligned to the Challenge. We anticipate seeking co-funding from other parties for a case study in year 2 of the project.

L. VISION MĀTAURANGA (VM)

Unlocking the innovation potential of Maori knowledge, resources and people to assist New Zealanders create a better future is the mission of the Vision Mātauranga (VM) policy framework. Additionally, VM seeks to develop, or enable the development of, distinctive products, processes, systems, and services, through the use and application of Māori knowledge, resources and people.

The opportunity with this project for VM is how the project will recognise the Treaty of Waitangi context when developing the social license to operate definition for New Zealand. There is potential for the development of distinctive products, processes, systems and services as a result of the project as it aims to seek iwi approval or license to operate. This project will connect to the VM programme through the participation of the VM programme lead, who will provide a link between this project and VM4.1 (A Repository of Knowledge: Mātauranga Māori). The intent of VM4.1 project is acknowledging the importance that both Maori knowledge, and the users of that knowledge, work together. Therefore sourcing Maori knowledge, and then applying it across the Challenge (including this Our Seas project), will require positive relationships with local Maori, trust and confidence in the process, integrity of the report writing and report writer, and appropriate recognition of knowledge ownership. The anticipated result of garnering local Maori trust, confidence, integrity and ownership of mātauranga Māori, will be iwi license to operate.

We will also explore opportunities to link with a new MBIE-funded programme, *Oranga Taiao, Oranga Tangata - Tools to support the co-governance of estuaries*.

M. COMMUNICATION AND OUTREACH

We will engage with Maori, industry, environment groups, community groups and government agencies via Sustainable Seas Annual Conferences, industry conferences, hui, community groups in Te Tau Ihu (Nelson Biodiversity Forum, Friends of Nelson and Golden Bays, Marlborough Marine Futures) and social media.

There may be an opportunity to design a community outreach programme as part of this project, to elicit a broad range of public perspectives on SLO. The Our Seas programme is also exploring an online platform for social scientists in the Challenge, which could provide another vehicle for outreach on this issue.

N. CAPACITY BUILDING

This project is supporting one early career researcher (Peter Edwards) and two mid-career researchers (Trisia Farrelly and Natasha Berkett). All are confident and capable researchers

whose capabilities will be enhanced by involvement in this project and from interactions within the team and with iwi, industry and stakeholders.

More generally, this project will build capacity within New Zealand's marine communities – industry, iwi and wider civil society – to engage in meaningful and constructive relationships that provide a foundation for strengthening EBM and the blue economy.

O. ETHICS APPROVAL

The project will follow Cawthron Institute's Human Ethics policy and procedures. These require an assessment of risk and have additional requirements for research deemed to pose significant risk to participants. Investigators based at universities will comply with their own institutional ethics policies if and as required.

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