

Taming the flames

How infrastructure developers can stop causing self-harm to their social licence and enhance the value of their assets



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Taming the flames

In Australia and other nations, governments and industry partners are investing heavily in vital infrastructure, in part to restore confidence and growth into economies battered by COVID-19. Heavy debt burdens require that every dollar is spent wisely. But many infrastructure proponents are fanning the flames of stakeholder opposition, dramatically increasing their investment risk through their own actions to build and maintain a social licence. Why this is the case and how to remedy the situation is the focus of this white paper.

Before the onset of the coronavirus pandemic, substantial investments were being made in infrastructure. Now, with the economy requiring further stimulus to get people back into work, there is the promise of fast-tracking further public and private infrastructure projects. Under normal circumstances, some of these projects would have been controversial. But now, with growing calls to reset the development agenda in favour of more sustainable projects^{1,2}, interventions to “fast track” projects and avoid consultation “that’s not feasible during COVID-19 restrictions” may escalate concerns in the minds of stakeholders³.

Unsurprisingly, investors and company directors are paying close attention to the social licence held by their businesses and associated projects⁴. Over the past decade, fierce stakeholder opposition has led to the delay or termination of many projects. To avoid embarrassing missteps and secure a return on investment, these risks need to be avoided, particularly in the post-COVID environment where every dollar must be wisely spent.

Unfortunately, the common approach to managing an infrastructure project’s social licence can do more harm than good. It’s an under-recognised fact that creates unnecessary financial and social harm.

The conventional approach

When developing projects, the infrastructure community (involving investors, government agencies, private corporations, consultants and

What is social licence?

Social licence refers to the acceptance granted to a company or organisation by the community. It is intangible, informal and dynamic, and must be earned and then maintained. It is an expression of the quality of a relationship⁵.

A social licence arguably precedes a legal licence because social expectations are the basis on which laws and regulations are designed and enacted.

Loss of social licence puts organisations and their projects at risk, often incurring substantial damage to reputations and balance sheets, diminishing customer and community support and triggering intervention by authorities⁶.

contractors) typically addresses its social licence issues through stakeholder engagement.

Such engagement activities involve multiple rounds of face-to-face and online consultation. Ongoing stakeholder monitoring helps to assess how issues are evolving, with social media monitoring often yielding more insightful and up-to-date stakeholder insights than focus groups⁷.

Stakeholder concerns are duly noted and carefully crafted responses are issued. Targeted communications and PR aim to persuade stakeholders that their issues are being resolved. A common view is that “if we explain the benefits of the project then people will get on board”⁸.

Success in ‘managing stakeholders’ is perceived to have occurred when they cause little trouble and their concerns are easily explained away. But such

¹ James Fernyhough (2020) Big banks push for green stimulus to deliver sustainable recovery, Australian Financial Review, 18 May

² Marion Terrill, Tony Wood (2020) *The dos and don'ts of post-pandemic stimulus*, 4 June, Grattan Institute, Melbourne.

³ Sara Bice, Kirsty O’Connell (2020) Why consultation is critical to delivering fast-tracked projects, 16 June, ANU Crawford School of Public Policy, Canberra

⁴ Misa Han (2018) Lack of social licence to operate ‘investment risk’, Australian Financial Review, 8 August

⁵ Narelle Hooper (2017) Licence to lead, Company Director, Dec 2017-Jan 2018, pp. 22-27

⁶ Ibid.

⁷ Alun Probert (2018) What’s the real secret to effective engagement? The Mandarin, 14 February

⁸ IPA, LEK Consulting (2020) Building trust: social licence for infrastructure, Infrastructure Partnerships Australia, Sydney.

success measures reinforce the view that little value can be derived through consultation.

In some circumstances, “some projects have scope to allow local communities to take part in the design of certain elements”⁹. Sadly, these co-design initiatives are rarely substantive.

This style of superficial stakeholder engagement is conducted from a mindset of “managing” stakeholders who oppose projects because of a lack of education and appreciation of its benefits.

Unfortunately, these mindsets frame stakeholder engagement activities in a way that can diminish, not enhance, the social licence for a project and its proponents.

A destructive dynamic

The destructive, self-reinforcing dynamic¹⁰ that often occurs on infrastructure projects is illustrated in Figure 1.

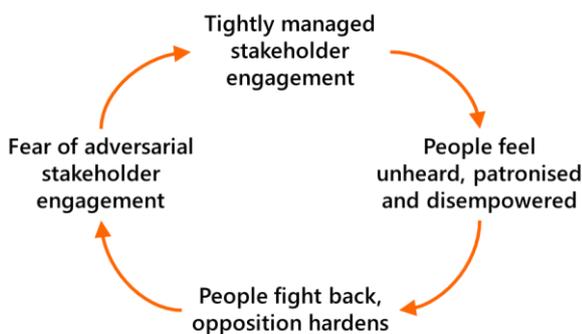


Figure 1 – The destructive cycle of behaviours that characterise stakeholder engagement activities¹⁰

When new projects are being planned and delivered, there is an expectation that people affected by it will be consulted. Consultation is something that occurs because it is expected “good practice”, not because proponents want to do it.

Proponents often associate fear with consultation because of the belief that people will be critical and oppositional. (Indeed, this is to be expected. Most people that are happy with a development proposal are unlikely to take time to engage in consultation processes. Those who perceive risks will be doubly

motivated to express their concerns. It is human nature.)

A proponent’s response to fear is to seek safety by controlling the situation through stakeholder “management”. Managed stakeholder consultation can tend to convey a “we know best” attitude and set up an us-and-them power dynamic. Unsurprisingly, stakeholders feel unheard, patronised and disempowered. It validates many of their beliefs and concerns about consultation: that their views aren’t valid and won’t influence decisions^{11,12}. Thus, opposition hardens and stakeholders fight back, because when people feel excluded from unfolding events they are hard-wired to resist change¹³. The self-fulfilling prophecy is achieved as developers experience the costly opposition they were fearing.

This dynamic increases risk and causes avoidable harm to people and organisations. It increases the risk of opposition, delays and associated costs, and it incurs direct costs on opponents and affected communities. It also causes distress to the people on both sides that are involved in the confrontation. It can split communities and even families.

The value at risk

When an infrastructure project experiences opposition and delays, the direct and flow-on costs that are incurred can be substantial (Figure 2). It is not unusual for costs to accumulate into the millions and on occasion billions of dollars. But this fact can be overlooked because of silos in infrastructure delivery chains and the accrual of costs to different parties.

In the past decade, on the east coast of Australia, an estimated \$20 billion in projects have been delayed, completed not originally as intended, mothballed after completion or cancelled, due partly to community opposition¹⁴. Examples like the East-West Link in Victoria stand out¹⁵.

The erosion of social licence and rise in associated costs can occur quickly. Communication via social media enables rapid escalation of opposition not just locally, but internationally. The reputational damage alone can be material and enduring. Indeed, twenty-

⁹ Ibid.

¹⁰ N. Fleming (2020) *Plain speakin’ about the pathologies of persistent public problems*, Innergise Pty Ltd, Melbourne

¹¹ Jenny Wiggins (2018) *Public opinion on big city projects ‘ignored’*, Australian Financial Review, 28 February

¹² WPP (2019) *The Leaders’ Report: Increasing trust through citizen engagement*, WPP Government and Public Sector Practice, London

¹³ N. Fleming (2016) *Contemporary communications: solutions that create public and private value again*, Innergise Pty Ltd, Melbourne

¹⁴ Melbourne School of Government (2017) *Informing community engagement for Australia’s infrastructure sector, Full report: Pilot phase*, Next Generation Engagement Project, University of Melbourne.

¹⁵ Jean Edwards (2015) *East West Link: Cost of scrapping project more than \$1.1 billion*, auditor-general says, ABC News, 9 December

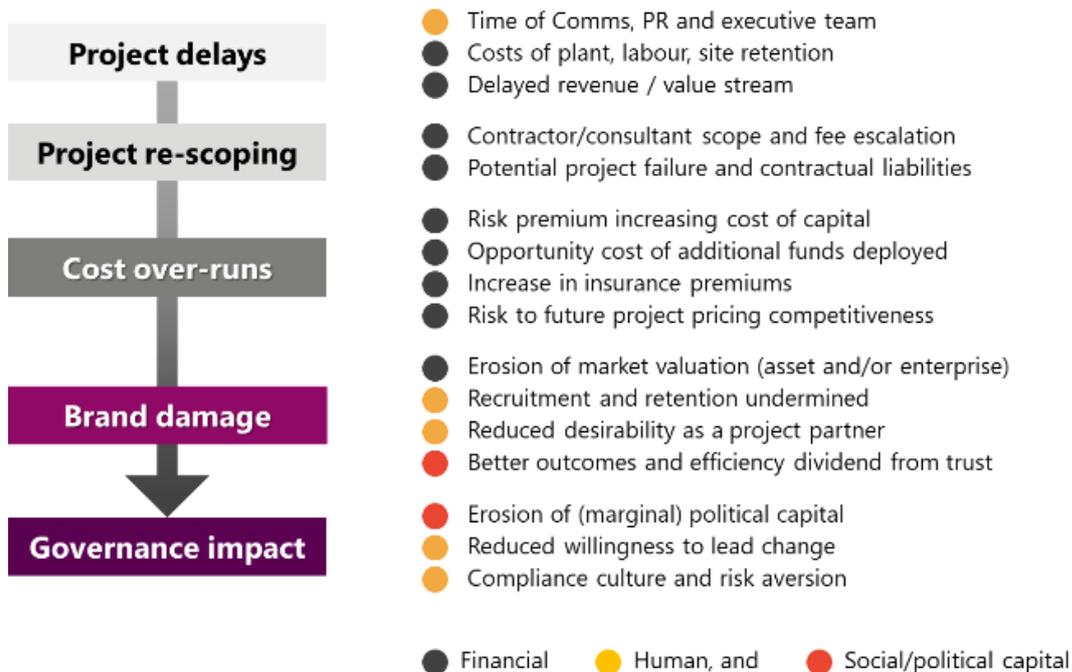


Figure 2 – Direct and flow-on costs that can occur when the social licence for an infrastructure project is eroded¹⁹. The costs of single project-impeding events can cascade and grow, particularly as more instances of poor development practices emerge.

five percent of the average company’s market value is directly attributable to its reputation¹⁶.

Of course, this is not only a phenomenon in Australia. The global oil and gas company, Royal Dutch Shell PLC, learnt the hard way with its gas project in Corrib, Ireland. Though Shell lost billions of dollars from project delays and over two billion in selling their share in the project (largely due to their unwillingness to take local concerns seriously about 20 years ago), they lost even more in terms of reputational damage globally^{17,18}.

Of course, value is not just eroded in *what* is being done (the infrastructure project and investing entities) but *how* it is being done (the mindsets, skills and experiences achieved through stakeholder engagement). The ultimate consequence of inadequate practices that contribute to the erosion of social licence is the loss of trust.

Regrettably, trust in business and government is incredibly low (despite the recent uptick associated with efforts to manage COVID-19)²⁰. Business is seen

as capable but unethical, government as inept and unethical²¹. Indeed, seventy percent of Australians think our system of government needs reform²². This defines an important piece of the context in which all infrastructure development occurs in Australia.

We must also recognise the break-down in trust has wider ramifications that affect us all. If trust is diminished between groups in our community, if they see themselves as having different values, then it is harder to maintain social cohesion. Social cohesion acts as the glue in a society where individuals are prepared to compromise what they see as their self-interest for continued participation in the larger community. Democracy relies on citizens being prepared to make these kind of compromises²³.

Investing in a social licence

People will often argue that social licence risks are difficult to foresee and quantify. But this is untrue. It

¹⁶ Theodora Turnbull (2018) Getting your reputation right, Company Director, February, pp 28-29

¹⁷ Joe Brennan (2017) Shell’s Corrib exit leaves energy giants up to €2.5bn in the red, The Irish Times, 13 July

¹⁸ Lorna Siggins (2017) Corrib gas timeline: 20 years of protests and controversy, The Irish Times, 13 July

¹⁹ N. Fleming (2018) Solving complex problems well, ANZ School of Government, Melbourne

²⁰ Edelman Trust Barometer 2020: Special Report - Trust and the Coronavirus

²¹ Edelman Trust Barometer 2020 (Australian Edition)

²² Danielle Wood and John Daley (2018) A crisis of trust: The rise of protest politics in Australia, Grattan Institute, Melbourne

²³ Ibid.

is just a story that is told to avoid thinking about the issue.

A straightforward analysis of the source, consequence and likelihood of risks to social licence on any project will expose and quantify the financial risk. It follows that a rational assessment can also be made about the investment that is prudent to make to mitigate that risk (see Case 1).

Proactive investment in genuinely effective measures to maintain social licence is regrettably rare. It's often difficult to secure funding for authentic early engagement. Yet, once under attack, companies seem able to find funds for court action, crisis media management and, if necessary, yet more technical studies to back up their positions.

Case 1 – A gas company's value at risk

A method for valuing the financial exposure of organisations to social licence risks²⁴ was applied with a company that operates onshore gas fields²⁵.

A suite of factors contributing to the emergence of community opposition were identified and the flow-on financial ramifications were estimated. Potential costs included direct staff and contractor costs, additional stakeholder and media management, technology and construction modifications and altered property access agreements. Significantly, delays to project delivery would undermine the return on investment and engagement with future opportunities in the region.

A conservative risk-weighted estimate of the costs attributable to social licence issues was \$252 million. Clearly, investing a mere fraction of this amount to avert social licence risks would be rational response with the probability of a high return on that investment.

The overlooked upside

While the value at risk analysis typically reveals a substantial, quantifiable down-side risk, the upside value should not be ignored.

Examples exist that demonstrate how a smarter, collaborative approach to the planning and design of infrastructure can create substantial value over the short and longer-term term. Millions of dollars can be saved while delivering lower risk, higher value projects that communities welcome (see Case 2).

Case 2 – A power business ditches “decide and defend” for co-design and gets big rewards²⁶

A state power utility was to embark on the public consultation phase of its largest transmission line project in 20 years. Lack of community support had become a serious issue for the utility that affected other projects and ongoing maintenance activities.

After some persuasion, the utility managers agreed not to consult on their existing plan for the transmission line corridor. Instead, they sat down with people living along the corridor to talk about their interests, needs and places of value. By mapping that information, new insights and more cost-effective solution options emerged that preserved stakeholders' needs and values. The options were then evaluated using criteria that were developed and agreed with the community.

The results went way beyond what was thought possible. Not only were capex savings achieved, but also \$2 million and 2 years were shaved off the planning, design and consultation process.

Because of the quality of the co-design process, the government deemed that an environmental impact assessment was no longer required. The community was still permitted and encouraged to lodge submissions ... but no community objections were received! What could have been an adversarial process became one that built trust along with the utility's social licence.

Pursuing a more collaborative design approach also cultivates a smarter, transferable capability in project design and delivery that provides a competitive advantage and better risk and value management for all involved.

Thus, in net terms, the value that is eroded (downside risk) and unrealised (upside risk) can be massive and enduring. And it needn't occur. So why is it happening?

Why is does this continue to occur?

Too often, people developing infrastructure are causing damage to their social licence and the value of their assets because they are approaching their social licence in the wrong way. Indeed, it smacks of indifference and intellectual laziness. And because the thinking about social licence is flawed, so are the actions that arise from that thinking – *what* happens, and *how* it happens.

What do these flaws in thinking look like? Consider the following:

²⁴ N. Fleming and S. Cooper (2013) Social licence framework, Jacobs Engineering Group (ANZ), Brisbane.

²⁵ S. Cooper, T. Mitchell, S. Glue and N. Fleming (2015) Social licence: Lessons learnt from the Eastern States and their relevance to Western Australia, PESA News, April-May 2015, pp 71-75

²⁶ N. Fleming, S. Cooper (2013) Insight Trading: Collaborating to transform the infrastructure that shapes society, Sinclair Knight Merz Pty Ltd, Melbourne.

- When the manager of a power utility pursues stakeholder “management”, she (perhaps unconsciously) presumes she is “in control” of the community. Of course, she is not.
- When the executive of a gas company seeks to educate stakeholders about the benefits of his project, he assumes his values and knowledge is superior. This is wrong, arrogant and naïve. He just holds different knowledge and values.
- When the regional manager of a state road authority assumes opponents to his highway upgrade want the project stopped, he is probably wrong. What opponents want is a better project. (Of course, it’s easier for opponents to say what they don’t like about a project than what ‘better’ looks like. This is a character trait in all people.)
- When an executive in a shire council assumes that a “minority group” cannot and should not impede a project, she is wrong. It is often small groups with a clear “enemy” and a motivating cause that drive change²⁷ in all walks of life.
- When an engineer presumes her analysis has revealed the “right” or “best” solution, this will only be true in a narrow technical sense. It ignores and disrespects the insight, resources and authority that can be contributed by stakeholders, which may be pivotal to achieving progress on the project.
- When the executive of a construction contractor says “it’s my job to deliver the project (and profits to shareholders), it’s the government’s job (or indeed, the comms team) to get the community onside”²⁸, this is a simplistic and naïve view of the power dynamics in markets, communities and politics today. It also diminishes the role that consultants and contractors can play in creating value for communities and thus their shareholders.

A range of fears and assumptions underpin these flaws in thinking and behaviour. For example:

- Project managers assume that releasing their (perceived) control over stakeholders will be risky and damaging when the opposite is often true. It can be risk reducing and highly rewarding.
- Leaders of infrastructure projects presume that their peers and partners are satisfied with the current approach to project development. But

when the question is asked, it’s often not the case, particularly amongst people that have experienced the energy and engagement of teams creating better projects with stakeholders.

It follows that stopping these financially and socially corrosive behaviours requires those investing in and governing projects to accept they are *not separate from but integral to* social licence destruction. They are part of the dynamic.

If this is accepted, the question then becomes “What’s the alternative? What is the more useful, reliable and affordable approach to gaining stakeholder support and retaining our social licence?”

Developing stories, building tribes

In order to build a social licence in a more constructive and enduring way, it’s important to gain some insights into the mindsets and motivations of the people involved ... on both sides of the equation.

When a person develops concerns about a proposed infrastructure project, it is because it has triggered a *disconnect* between their *stories* about the future of their community and what might now actually occur if the proposed project proceeds.

Stories (which we may also call ideas and rules) are how we cognitively capture and store information. They are how we make sense of the world and operate efficiently in it. And stories are the building blocks of culture – family, organisational, community and national cultures.

When the disconnect that is triggered by a proposed project affects the values and ideas at the core of a person’s identity, the feelings and opposition can be strong.

Note also that a person’s identity is linked with that of their *tribe* (family, community, political parties). Tribes provide safety and support and, through dialogue and *shared stories*, help make sense of the world. These stories and beliefs are central to their collective identity and security and are thus held tightly. The stories may, however, be “factually false but socially accurate”²⁹. That is, stories that are useful to tribes may not reflect verifiable facts³⁰.

The disconnect that individuals and tribes can feel may be exacerbated by other events. People may already feel that their values and stories about the future are already under attack. Their sensitivity may

²⁷ Nassim Nicholas Taleb (2018) *Skin in the Game*, Random House, New York

²⁸ Narelle Hooper (2018) *Trouble at the bank*, Company Director, February, pp 19-20

²⁹ James Clear (2020) *Why facts don’t change our minds*, <https://jamesclear.com/why-facts-dont-change-minds>

³⁰ Dan M. Kahan (2015) What is the “science of science communication”?, *JCOM* 14 (03), Y04

be heightened by feelings of inequality, isolation, being manipulated³¹ and a sense that “the system” and its “elites” have failed to meet their obligations and increase the public good³². So, people leading infrastructure projects can become the target for a wider web of fears not of their making³³.

What are the implications of this for developing and maintaining a social licence? For an opponent of a project to soften their opposition and, ultimately, support a project they have to change their views about the project. Opponents will need to construct different stories about the project and their relationship with it. This literally means taking on new information and rewiring the brain which is challenging and effortful. Furthermore, creating a new story about a project may also mean changing tribes, which is unsettling and risky. People are innately disposed to avoid such things. People are biologically wired to resist change they don't have a part in bringing about³⁴.

So, it follows that for a different and more favourable view of an infrastructure project to be achieved (and thus its social licence gained and maintained) you need to make this process as easy and safe as possible for *all* the people involved.

If you are a proponent or developer of an infrastructure project, you must also recognise that you are one of these effort-avoiding, tribal people. You have your own identity and underpinning stories, held individually and tribally. You are no different. You are just like “them”.

Thinking with friends

Consider this. A person presents you with a proposition, “Let's run a competition to develop the conceptual design for our new project within the community that's opposing it ... and make the competition entirely open to the public.”

How would you receive this proposition if it was made by a local “tree hugger”? What difference would it make if the proposal came from a close, respected and successful business colleague?

Pushing a scientific argument can be harmful

Proponents of projects that feel unfairly treated by opponents often argue that more “robust science” and “better communication” is the route to getting people onside and refuting “dishonest campaigns”³⁵.

But if people don't possess the ‘mental scripts’ (that is, the prior knowledge) onto which they can hang the information a project proponent is providing (e.g. the science or economic details of a project business case), then they will reject it. Effortful, deep thinking that is required to assimilate the new information will be avoided. Instead, people will revert to and reinforce their existing, simpler stories which may or may not be factually based. This can have the real effect of reinforcing individually and tribally-held stories and mistrust, further hardening opposition.

Realistically, you are far more likely to give weight and consideration to radical ideas if they're offered by people you know, like and trust. More generally, it is not difference but distance that breeds tribalism and hostility³⁶.

The best place to ponder a threatening idea is in a non-threatening environment.

*“I don't like that man.
I must get to know him better.”*

Abraham Lincoln

³¹ Issues of housing affordability and wage stagnation can fuel a sense of being left behind, while fake news and the Cambridge Analytica scandal can fuel mistrust and concerns of manipulation by political and big business interests.

³² Simon Longstaff (2018) Thinking the unthinkable, Company Director, March, pp 47-48

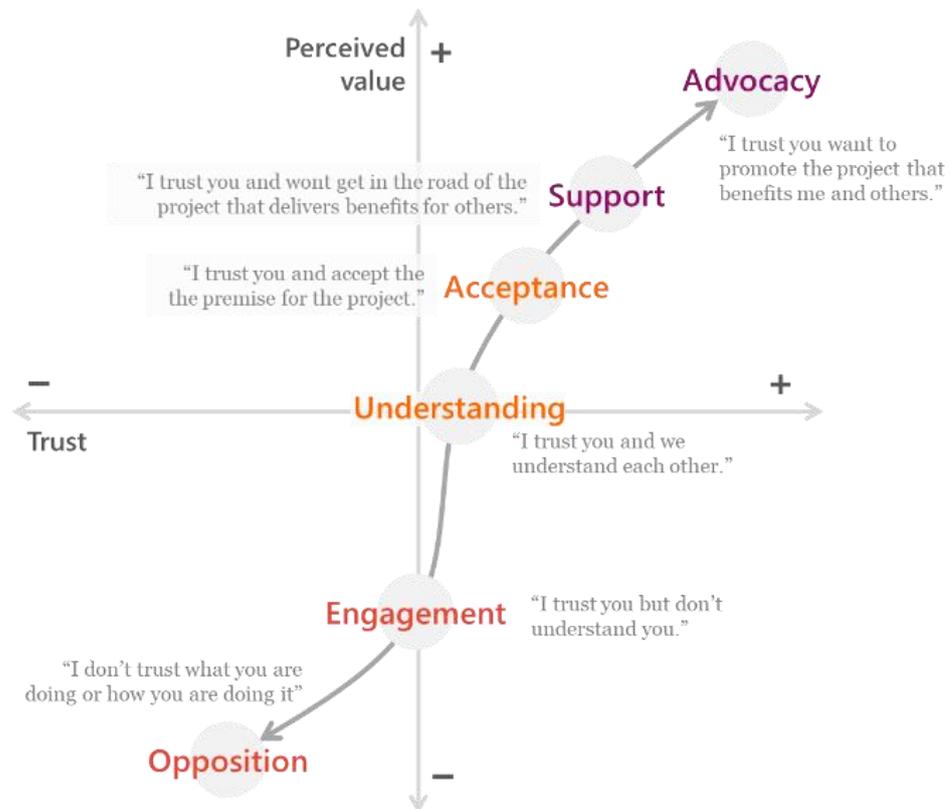
³³ N. Fleming (2016) Contemporary communications: solutions that create public and private value again, Innergise Pty Ltd, Melbourne

³⁴ N. Fleming (2011) Stakeholder engagement – applying insights from neuroscience, Ecos Magazine, May 2011

³⁵ Angela Macdonald-Smith, Mark Ludlow (2016) Shell Australia's Andrew Smith decries ‘dishonest’ campaign against gas, Brisbane Times, 6 June

³⁶ James Clear (2020) *Why facts don't change our minds*, <https://jamesclear.com/why-facts-dont-change-minds>

Figure 3 – Transitioning from opposition to advocacy requires more than building trust. It requires growth in the perceived value of the project.



Creating safety by being trustworthy

For a shift in thinking, stories and project possibilities, you need a safe environment. This requires trust – and trust is about relationships, not just reputation.

We all know from personal experience what it takes to trust someone. That person needs to behave honestly, legitimately, credibly, transparently and consistently. They need to do what they say they will do. And they must not be manipulative. They must not act from a place of pure self-interest.

Regrettably, the drive for trust within the infrastructure community is often just a thin cloak for the continued pursuit of self-interest³⁷. The hidden thought is “I want you to trust me so that I can do what I want, without interruption.”

To be trustworthy, a project proponent should put their case in favour of a project but be genuinely open to changing their mind, to changing their plans. Obviously, the earlier this is done the better.

From acceptance to advocacy

While trust lies at the heart of social licence, it is clearly not enough. The objective should be to enable people to move willingly from a position of opposition and mistrust to support or, better still, advocacy (Figure 3).

Many may leap to the conclusion this is overly optimistic and naïve, as if the best we can hope for is “that people give up and let us get on with the project”. But experience tells a different story – there are many examples where communities with concerns transition to become project evangelists (see Case 3).

The best way to achieve is this creating projects that people want because they deliver services and experiences people love throughout their operating life. These are things that people *want to pay for*. They make for infrastructure assets that are readily bankable and sustainable over their operating lives.

³⁷ Clare Payne (2018) Lessons in who can be relied on, Boss, October, p.39

Case 3 – From physical threats to a drink with mates

In a recent TEDx talk³⁸, community engagement specialist, Max Hardy, shares his experiences of community engagement over many years. He recalls an amusing story of a community that suggested consultation would require “bullet proof vests”. But, when the situation was managed respectfully and with an open mind, project proponents came to realise the wisdom in the community’s views, leading to a vastly superior solution that everyone endorsed. What had started out with fierce opposition ended up with celebratory drinks.

Max laments that the promise of community engagement to build community and strengthen democracy is rarely fulfilled. Project proponents expect little of the effected communities, which is reflected in their manner of engagement and the poor questions put to communities. Communities are seen as “a problem to be solved, rather than an asset to be utilised.”

This is the whole premise behind the idea of creating sustainable, valuable assets *by design*³⁹. It is not merely a fad, drawing on the current trend to human centred design. It has its origins soundly rooted in creating infrastructure that is low risk and high return.

And it is these skills – for value creation by design – that infrastructure investors should be buying. They are complementary to (but different from) traditional planning, engineering and consultation skills.

Set in your ways?

Can you entertain new ideas, or are you set in your ways? This is the central question around which pivots the potential for better outcomes and a strong social licence.

Can you see stakeholders as people who, just like you, have their own unique education, life experiences and tribal culture that contributes to their stories, aspirations and fears that, in their own context, are rational and worthy of respect?

Can you embrace the notion that two (dissimilar) heads are better than one?

Can you imagine that it might be possible to create an asset in a form and way that is more exciting, rewarding and valuable?

If you think this is possible, then it’s also possible to develop infrastructure that people love. After all, infrastructure is just a tool to achieve outcomes that deliver public and private benefits. If we are smart enough, we can deliberately design it to deliver the benefits we collectively believe are worthy.

It’s these sorts of shifts in thinking, culture and resulting practices that company directors have indicated are most critical to rebuilding trust⁴⁰.

Reframing stakeholder engagement

If you recognise and accept the significance of the behavioural insights discussed so far, then it fundamentally changes the lens through which stakeholder engagement and social licence-building is viewed.

The conventional view of stakeholder engagement is still influenced by the work of Dr Aubrey Mendelow⁴¹, who suggests prioritising the approach and effort in stakeholder engagement on the basis of a stakeholder’s relative interest-power position (Figure 4). These perspectives are also reflected in the IAP2 Public Participation Spectrum⁴².

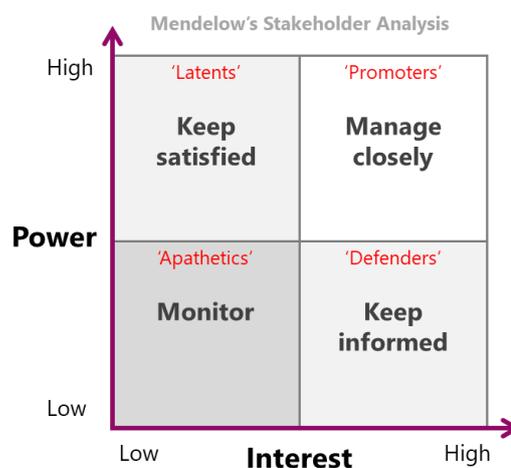


Figure 4 – The Mendelow Matrix still shapes much of the style and intensity of stakeholder management effort that we see in action around infrastructure projects today. At its heart is the mindset of “managing” stakeholders that are more of a problem than an asset to be utilised.

³⁸ See Max’s TEDx talk here: https://www.ted.com/talks/max_hardy_questions_change_everything_in_community_engagement

³⁹ Nicholas S. Fleming (2016) The missing key – unlocking high value infrastructure by design, Innergise Pty Ltd, Melbourne.

⁴⁰ KPMG (2018) Maintaining the social licence to operate: 2018 KPMG-AICD Trust Survey, Australian Institute of Company Directors, Melbourne

⁴¹ Mendelow, A. (1991) ‘Stakeholder Mapping’, In: Proc. of 2nd Int. Conf. on Information Systems, Cambridge, MA.

⁴² https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf

In the current context where power is fluid and trust in government (and other institutions) is low, a different perspective on stakeholder engagement and effort prioritisation may be more useful. This approach (Figure 5) acknowledges and respects the human traits that unwittingly shape the behaviours that erode social licence, offering a more realistic and constructive approach.

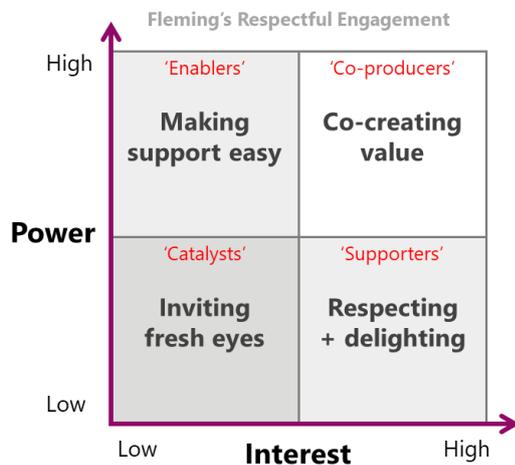


Figure 5 – Fleming's Respectful Engagement Matrix reflects the core ideas expressed in this paper, recognising the need to engage with people's concerns more respectfully while recognising the insights, authority and resources that stakeholders can bring to bear in creating a valuable, successful project. Even people with lesser interest and power over the project can bring valuable fresh eyes to the situation; children and young people that will ultimately inherit the asset fall squarely into this often-ignored camp⁴³.

When viewed through this lens, the need for generative dialogue⁴⁴ and co-design becomes more obvious. It is simply more realistic and productive to engage stakeholders in a way that shares knowledge and builds new stories as the basis for better projects. Indeed, any investor or company director interested in preserving the reputation and value of their organisation and its assets should ask, "If we are not engaging in authentic co-design, why not?"

"Project life cycles need to start right where they end – with people at the centre"

Kylie Cochrane⁴⁵

Questions to discuss

As an investor, company director or project manager overseeing the delivery of infrastructure projects, you may wish to explore the following questions with your peers:

- What are the current and foreseeable risks to our social licence, either relating to major projects or our organisation more generally?
- If our planned projects meet opposition, what is the value at risk and their potential impact on our P&L and balance sheet?
- What do we need to do to genuinely understand our social licence risks and facilitate a shift in mindset and approach in the way they are managed?
- What is the purpose of the infrastructure project we are developing? How do we know it is delivering benefits in the most effective way?
- What are the infrastructure projects that people love? How were they developed, and what was different in that approach to what we are proposing to do?
- What does our experience of managing social licence risks tell us? Do we have appropriate internal expertise? Are getting the best advice and support?
- What do we have to lose by getting a "second opinion" about our approach to managing our social licence?

"Change is disturbing when done to us, exhilarating when done by us."

Rosabeth Moss Kanter

⁴³ A valuable perspective advocated by Max Hardy and Robyn Mnsfield

⁴⁴ Note that generative dialogue is not consultation and PR, so the people that perform those tasks probably aren't currently equipped to facilitate dialogue (or provide the advice you need).

⁴⁵ K. Cochrane (2018) From town halls to chat bots: how community engagement has evolved, Just Imagine, Aurecon, 8 May

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