



# Four key metrics of social licence

## Insights Paper Social Licence 2020

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Social licence is a concept that originated in the mining sector and has migrated to infrastructure. In a way, the two industries look similar – large, impactful projects with significant economic benefits but also significant community costs.

*Building Trust: Social Licence for Infrastructure*, recently released by Infrastructure Partnerships Australia, encapsulates the relevance of social licence to infrastructure and provides nine principles for building and maintaining a social licence.

The report homes in on the realisation by industry that a social licence is critical when planning and delivering infrastructure. Community opposition does result in the delay and cancellation of projects. It is now incumbent on Governments and proponents to deliver infrastructure that provides a clear community benefit and to seek to minimise negative social impacts.

But it is all well and good to talk about social licence; how do you know if you have one? The outward manifestation of a lack of social licence – the community protests – can be either a small hardcore group of protagonists or a representation of how the wider community feels.

The only way to understand social licence is to measure it. *Building Trust: Social Licence for Infrastructure* talks about the need to measure social licence but does not provide recommendations on how to do this.

Statistically valid research provides the insight you need to understand whether the issues and themes uncovered through your community and stakeholder engagement are reflected through the community.



There are several models for measuring social licence; at Phillips Group, we have adapted and tested the Boutilier model which measure four key aspects of social licence.

**1. Economic legitimacy**

Does the project provide an economic benefit to the community, such as jobs or opening new trade opportunities?

**2. Socio-political legitimacy**

Does the project improve quality of life for the community, such as removing congestion or improving safety?

**3. Institutional trust**

Does the community trust the Government and/or the proponent to deliver the project in a way that is respectful to the community?

**4. Interactional trust**

Has the community had positive or negative experiences engaging with the project?

Analysing the results of these metrics results in a social licence score out of five. The higher the score, the closer the project is to achieving advocacy and endorsement from the community and key stakeholders.

Ideally, you would first measure social licence during the business case phase to establish a baseline and then repeat the research periodically through design and construction, depending on the magnitude of the project and the delivery timeframe.

This continual measurement is important, as too often, project teams make assumptions about what matters to a community and do not update these assumptions as the project progresses.

Construction is when an infrastructure project gets 'real' and is often the time when community outrage can reach its peak. A project without a strong social licence, developed through genuine and authentic engagement during the business case and planning phases, will struggle to gain that social licence once construction starts.



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