

The Social Licence to Operate and Coal Seam Gas Development

Literature Review Report
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Executive Summary

The term ‘Social Licence to Operate’ or ‘Social Licence’ is gaining prominence in the resources sector as the industry increasingly focuses on recognising the interests of communities affected by mining activities. As originally conceived, the notion of a social licence to operate reflects the idea that society is able to grant or withhold support for a company and its operations; with the extent of support being dependent on how well a company meets societal expectations of its behaviour and impacts. A social licence is tacit, intangible and context specific. It needs to be earned and is dynamic, as people’s experiences and perceptions of an operation shift over time.

Recent research highlights contrasts between industry and community perspectives on the engagement approaches required to develop local community acceptance of a company’s operations. Industry has tended to focus on a transactional approach, while communities were much more focused on the perceived quality of the relationship. Trust is identified as a key factor in shaping community attitudes toward an industry.

The community engagement literature indicates that more collaborative forms of engagement between a company and the communities within which it operates lead to higher levels of trust, while noting the time and effort required to develop trust based on personal relationships. This work also notes the need to be aware that communities are diverse in their values, aspirations and expectations, with some groups also more marginalised than others, and that this needs to be taken into account in developing an inclusive engagement strategy. The importance of understanding a community’s values, aspirations and expectations is emphasised if a company is to understand community perceptions of its actions.

Coal seam gas development in SE Queensland presents a different context to that of most mining developments in Australia, particularly in terms of the cumulative effects of having multiple operations in the region, the co-location of CSG wells on productive agricultural land and the extensive distribution of gas extraction infrastructure and activity. Therefore, we suggest that a social licence might be more usefully understood as relating to the CSG industry as a whole, rather than in terms of an individual company’s operations. Co-location with pre-existing enterprises within the region, such as agriculture, also suggests that supporting the ongoing and future viability of these elements of the economy will be an important aspect of gaining acceptance in the region.

The research to follow this review is designed to draw out the diverse values, interests and aspirations which underpin community expectations and to assist company and government representatives to understand community expectations, through dialogue with community members. Dialogue that involves communities, companies and governments is seen as a potential approach to addressing community expectations in ways that are seen as legitimate, credible and trustworthy.

1 Introduction

Increasingly, the focus of mineral resource development policy is encompassing participatory evaluation of the social, economic and environmental benefits and costs of mining activity in a community. At the same time, there is an underlying tension over the extent to which citizens are able to determine the appropriateness of mining as a land use in a particular context, or the conditions under which it may proceed, and whose voices should count in providing or denying consent (Bridge 2004).

This report opens with a discussion of the term ‘Social Licence to Operate’ (SLO) or ‘Social Licence’, providing an overview of the way in which the term is currently discussed in the literature, primarily in the context of mining. It then shifts to a discussion of company–community engagement, the development of constructive relationships between resource companies and the communities affected by their operations and the factors important to the development of these relationships. Finally, we identify some implications for the development of a social licence in the context of coal seam gas (CSG) operations.

2 Social Licence to Operate

2.1 Origins

The notion of a ‘social licence’ reflects the idea that society can grant or withhold support for a company and its operations. People affected by or who could affect a company and its operations include neighbourhoods, environmental groups, community members and other elements of the surrounding society (Thomson and Boutilier 2011). The level of support ‘granted’ is considered to be dependent on society’s expectations about how the company conducts its operations and the extent to which those expectations are met (Gunningham et al. 2004). Expectations can be about social and environmental impacts of a company’s operations (ibid.) as well as the potential for benefits to flow to the local communities and the region (Nelsen and Scoble 2006). Local communities will also have expectations about how the company interacts and engages with local citizens. At the community level, a social licence suggests a type of perceived acceptance of a company’s activities (Thomson and Boutilier 2011).

The social licence concept was originally coined within industry, from a risk-management perspective (Black 2012; Boutilier et al. 2012; Owen and Kemp 2013), and lacked the qualitative understanding of a social context. Rather, the risk-management perspective fostered an audit approach and framed community stakeholders as a ‘risk’ needing to be managed (Owen and Kemp 2013). Taking societal perspectives into account in planning, developing and implementing an operation is seen as necessary to reduce the risks associated with societal resistance. Such resistance could affect a company’s profitability directly, through delays in production, or more indirectly, through lowering its reputation or through governments instituting higher levels of regulation. The overall effect is to induce ‘beyond compliance behaviour’ from a company (Gunningham et al. 2004). Thus ‘social licence to operate’ is a term given meaning primarily by companies and governments (Parsons and Moffat 2012).

2.2 Levels of a social licence

The conditions of a social licence are seen to be different from the explicit, regulatory requirements set by governments, such as environmental approvals, in that they are tacit, intangible and context specific (Franks et al. 2010; Thomson and Boutilier 2011). A social licence also cannot be issued, but needs to be earned (Lacey et al. 2012). The conditions of a social licence change over time, based on people's ongoing experiences of an operation and shifts in their perceptions and opinions (Thomson and Boutilier 2011). Therefore, a social licence is not static but is continually under negotiation and reflects the state of the relationship between the company and its stakeholders (Franks et al. 2010).

Discussions of 'social licence' often draw on Thomson and Boutilier's (2011) 'pyramid' model, which considers four potential levels of support: withheld, acceptance, approval and identification (Figure 2.1).

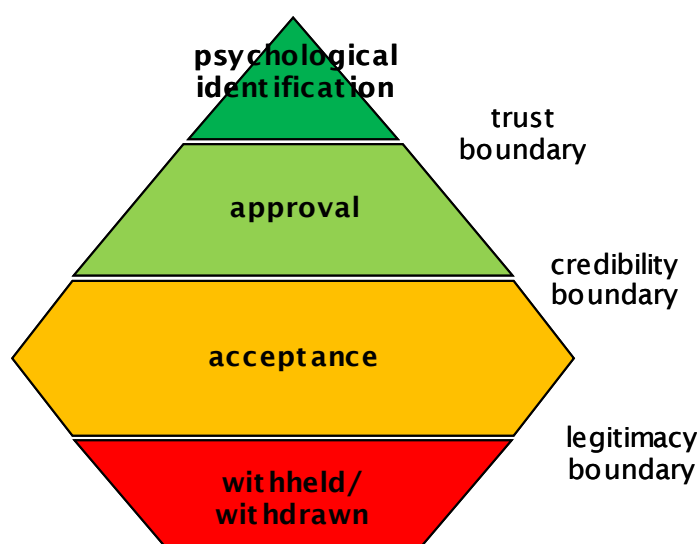


Figure 2.1 The 'pyramid' model of the SLO (after Thomson and Boutilier 2011)

In this framework, an operation that is considered by interest groups to have a minimum level of social licence is described by them as having legitimacy. This reflects a perception that there is some chance that their concerns may be addressed and that they may experience some benefits from the operation. If an operation is perceived to have credibility, in terms of the company demonstrating behaviours such as listening, keeping promises, reciprocity and dealing fairly, then an approval level of social licence can be achieved. If relationships between interest groups and the company develop to the stage where there are high levels of trust, the authors suggest that people may come to identify with the company and see their future as connected to the future of the operation. Trust is fundamental to moving through the levels.

A more recent evolution of this framework models SLO as three levels comprising: economic legitimacy at the base; socio-political legitimacy and interactional trust as the mid-tier; and institutionalised trust as the highest level (Boutilier and Thomson 2011). These four factors represent a continuum and are displayed in Table 2.1. The authors distinguish between perceptions of the company's behaviour at the regional (socio-political) scale and perceptions of its interactions with individuals.

Table 2.1 Four factors constituting three levels of SLO (after Boutilier and Thomson 2011)

Level and Label	Description	Role in Determining SLO Levels as Described in Thomson & Boutilier Pyramid Model
1. Economic legitimacy	The perception that the project/company offers a benefit to the perceiver.	If lacking, most stakeholders will withhold or withdraw the SLO. If present, many will grant an acceptance level of SLO.
2a. Socio-political legitimacy	The perception that the project/company contributes to the wellbeing of the region, respects the local way of life, meets expectations about its role in society, and acts according to stakeholders' views of fairness.	If lacking, approval level of SLO is less likely. If both this and interactional trust (2a & 2b) are lacking, approval level is rarely granted by any stakeholder.
2b. Interactional trust	The perception that the company and its management listens, responds, keeps promises, engages in mutual dialogue, and exhibits reciprocity in its interactions.	If lacking, approval level of SLO is less likely. If both this and socio-political legitimacy (2a & 2b) are lacking, approval level is rarely granted.
3. Institutionalised trust	The perception that relations between the stakeholders' institutions (e.g., the community's representative organisations) and the project/ company are based on an enduring regard for each other's interests.	If lacking, psychological identification is unlikely. If lacking but both socio-political legitimacy and interactional trust are present (2a & 2b), most stakeholders will grant approval level of SLO.

2.3 Factors that interact with a social licence

Gunningham (2003) identifies a range of factors that influence a company's capacity to earn a social licence. These factors are a mix of external and internal factors, and are affected by the company's environmental management style and performance (see Figure 2.2). In addition to interactions between social, legal and economic constraints, internal features of the company such as its history, culture and attitudes of its personnel will affect the extent to which it takes stakeholder perspectives into account in its decision making. Furthermore, the company's approach to environmental management and feedback from the outcomes of its actions will influence its behaviour. In short, a company's social licence cannot be considered in isolation, as societal expectations and a company's capacity to respond to them are interdependent and influenced by a range of factors.

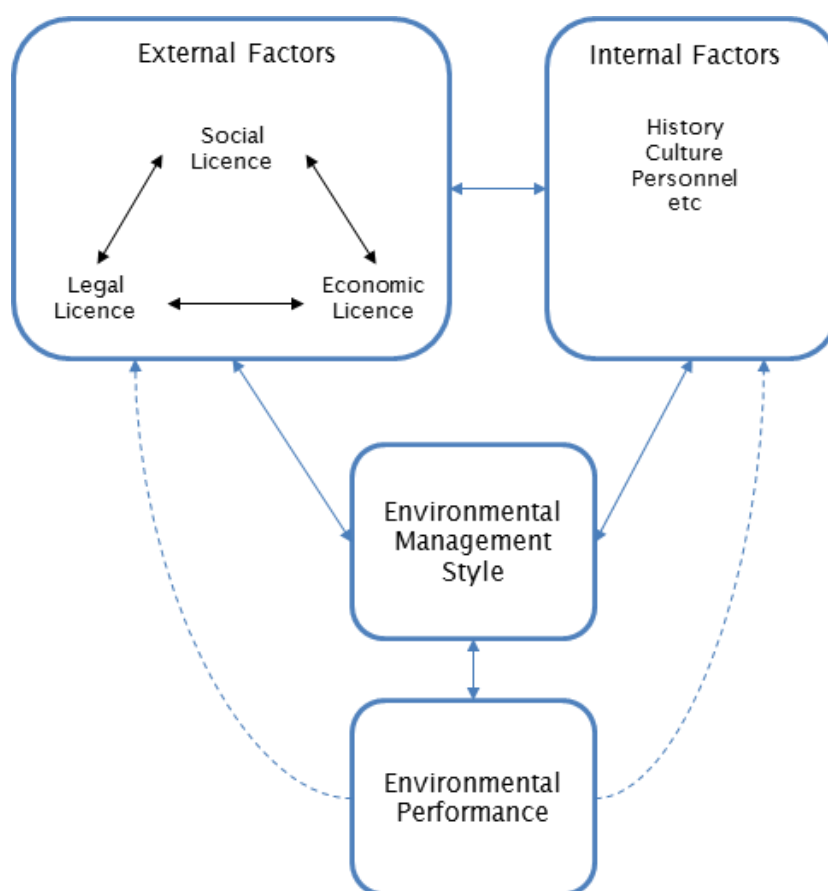


Figure 2.2 Interactions between social licence and other factors (after Gunningham 2012)

2.4 Comparison between industry and 'community' perspectives

Comparisons between industry and community perspectives on developing a social licence indicate distinct contrasts (Lacey et al. 2012; Moffat et al. 2011; Nelsen and Scoble 2006; Thomson and Joyce 2008). Industry perspectives suggest a focus on 'tasks and processes that are mechanistic, didactic and transactional' (Thomson and Joyce 2008), while the focus for communities is on the perceived quality of the relationship. This contrast highlights major challenges for companies endeavouring to acquire legitimacy and credibility for a new operation. Companies frequently underestimate the importance of relationship building with a community

and the length of time required to do that, and/or they overestimate the quality of the relationships that they have with a community.

Moffat et al. (2011) explored community perspectives on the development of the LNG industry in the Surat Basin, in its early stages. They concluded that trust is the only consistent predictor of acceptance and approval of the industry. Where perceived impacts on natural and economic capital were lower than expected, higher levels of acceptance and approval were also present. These relationships were also mediated by trust. In addition, the extent and quality of contact between the company and community members were found to correlate with the behavioural intention of the community toward the company, with trust again being a mediating factor. These results again reflect the importance of a company's approach to developing relationships with local communities in accessing a social licence (*see also* Thomson and Joyce 2008).

2.5 Diversity of interests

While there is some acknowledgement in the literature of the likely diversity in the level of support for an operation from different interest groups (Thomson and Boutilier 2011), the distinction made is primarily between the local geographic community and other groups such as investors, international activists and governments. There is little discussion in terms of diversity within a local community. The current notion of SLO founders primarily on the idea that all of 'the community' belongs to a single community of interests, and that the concerns of the community can be understood as an undivided whole (Owen and Kemp 2013). Rather, communities and others affected by a company's operations are heterogeneous in their values, interests and perceptions and in the ways in which they are affected (Lockie et al. 2008). For example, farmers with CSG wells on their properties will have specific concerns relating to CSG development that are quite different from some of the issues relevant to local businesses in regional towns. The current notion of a social licence therefore may lack nuance in relation to whose perceptions are being considered.

3 Company Community Engagement

There is growing evidence on the important role of community engagement and participatory processes to underpin the quality of relationship that is required by a company to secure a social licence to operate. A social licence to operate has been described as meeting societal expectations (Gunningham et al. 2004) and is dependent on a relationship that is meaningful, and able to deliver dialogue capable of leading to outcomes that are mutually beneficial. Development of such relationships potentially creates a platform for balanced negotiations and co-creation of outcomes, where a company's actions and behaviours are aligned to community expectations and aspirations. Evidence suggests trust, openness, accessibility, and mutual respect are qualities important to a relationship that can pass the test of legitimacy and credibility in the eyes of the community (Laljee et al. 2009; Tam et al. 2009; Thomson and Boutilier 2011). These elements of a relationship are often built through repeated contact and opportunities for working together. The literature from community engagement research provides useful insights into aspects important for developing meaningful relationships between community and companies. Such knowledge can be the cornerstone for meeting public expectations, understanding community aspirations and securing acceptance for operating within the community.

3.1 Types of community engagement

Researchers describe community, or stakeholder, engagement as a continuum ranging from a less involved to a more involved and meaningful level of engagement. The literature describes these levels in a variety of ways. The International Association for Public Participation (IAP2) presents engagement as five levels of participation along a spectrum of increasing public impact: inform,



consult, involve, collaborate, and empower (IAP2 2007b). *Inform* is typified as one-way communication, providing information through fact sheets and websites, aiming to keep the public informed with objective and balanced information. *Consult* and *involve* are more participatory processes and represent two-way dialogue, where the company seeks to understand public concerns and aspirations, using this understanding in their decision making. *Collaborate* is partnering with the public on decision making, and co-creating alternative solutions and outcomes; and *empower*, is placing the final decision making in the hand of the public, with the company implementing what the public decide. The IAP2 model suggests different goals, promises and types of activities are inherent within each level of engagement. Regardless of the level of participation that is followed, it is essential to meet the public's expectations of the promise that underpins that level, to avoid dissatisfaction and disillusionment. **Table 3.1** displays the five levels of participation and associated goals, promises and types of activities.

Table 3.1 Public participation spectrum (adapted from IAP2 2007a)

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public participation goal:	Public participation goal:	Public participation goal:	Public participation goal:	Public participation goal:
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:
We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example techniques to consider:	Example techniques to consider:	Example techniques to consider:	Example techniques to consider:	Example techniques to consider:
<ul style="list-style-type: none"> • Fact sheets • Websites • Open houses 	<ul style="list-style-type: none"> • Public comment • Focus groups • Surveys • Public meetings 	<ul style="list-style-type: none"> • Workshops • Deliberate polling 	<ul style="list-style-type: none"> • Citizen Advisory Committees • Consensus building • Participatory decision making 	<ul style="list-style-type: none"> • Citizen juries • Ballots • Delegated decisions

International Association for Public Participation (2007)



An alternative way of understanding the different dimensions of community engagement is to draw from the business strategy literature. In an extensive review of over 200 studies in community engagement research (Bowen et al. 2010), the authors categorised strategies employed by firms when interacting with community stakeholders into three types: transactional, transitional, and transformational approaches.

Transactional engagement strategies are usually one-sided communications with the aim of reducing transaction costs associated with the company's activities. The company 'gives back' to the community in terms of information, time, effort and money. Provision of information, charitable contributions in the form of money or employee volunteer time, and building local infrastructure are typical activities associated with transactional engagement. Although transactional strategies may involve a range of community stakeholders, the activities are often intermittent, require minimal levels of trust, and are associated with low levels of company-community learning.

Transitional strategies are more collaborative and involve two-way dialogue, with shared involvement and consultation over company activities. Community advisory committees, surveys, town hall meetings, and focus groups are all examples where the company seeks to understand community views, 'build bridges', and include community feedback into the company's decision making. However, these types of consultative activities are primarily controlled by the company and, although deeper levels of trust develop than in transactional engagement, trust is still fragile and managed by both parties to avoid conflict. Bowen and colleagues (2010) describe this group of strategies as transitional because they are moving from one-sided transactions to the more meaningful and deeper levels of engagement evident in transformational engagement.

Transformational strategies result in joint learning, with the integration of community into company decision making. Joint project management and co-ownership are examples of community engagement that is 'changing society', and depends on trusting relationships and mutual understanding. A community-led audit of corporate social performance could also provide opportunity for strengthening mutual understanding of company and community perspectives (Kemp et al. 2012). Realistically, transformational engagement may only involve few partners and reflects dialogue based around sense making, where participants listen and understand and the trust levels deepen, extending to personal relationships. The outcomes of this type of engagement are joint benefits to both parties.

Bowen et al. (2010) suggest that transformational engagement strategies are less well understood because of the prevalence of research focused on transactional and transitional types of engagement activities. However, transactional engagement differs from transitional engagement along three main dimensions: the number of people involved in the engagement, the level and type of trust, and the benefits extending beyond one party to be jointly beneficial. **Table 3.2** summarises differences between the three different types of engagement strategies.

Table 3.2 Three types of engagement strategies (adapted from Bowen et al. 2010)

	Transactional engagement	Transitional engagement	Transformational engagement
Company stance	Community investment and information <i>'giving back'</i>	Community involvement <i>'building bridges'</i>	Community integration <i>'changing society'</i>
Example of activities	<ul style="list-style-type: none"> • Charitable donations • Building local infrastructure • Employee volunteering • Information sessions 	<ul style="list-style-type: none"> • Public consultations • Town hall meetings • Workshops 	<ul style="list-style-type: none"> • Joint project management • Joint decision making • Co-ownership
Community partners	Many	Many	Few
Nature of trust	Limited	Evolving	Personal relationships
Control over process	Company	Company	Shared
Benefits and outcomes	Distinct to one party	Distinct to one party	Joint to both parties

3.2 Determinants of community engagement

A diverse range of factors may determine which type of community engagement practices a company might undertake. These influences might be present in isolation, but more likely, it is a combination of multidimensional factors that drives the choice of the engagement strategy. Bowen and colleagues (2010) identify four main groups of factors that influence the type of engagement that a company might undertake. First, *national* factors, such as public policy and regulatory requirements, may dictate engagement activities and priority areas. *Community* factors are a second influence and include community expectations, community resources, community group activities, and the variability of attitudes within the community. *Company* factors include the strategic vision and direction of the company, human and financial resources, company structure and priorities, corporate social responsibility requirements, and an audit culture (Fitzpatrick et al. 2011; Gunningham et al. 2004; Kemp et al. 2012). Finally, the perceptions and decision making of the *managers* may cut across all three other factors and ultimately determine which type of engagement the company undertakes. Although these are multiple and diverse influences, it is unclear from current research which factors drive which type of engagement activity. **Figure 3.1** Factors influencing type of engagement (adapted from Bowen et al. 2010) displays the four factors that influence the type of community engagement undertaken by the company.



Figure 3.1 Factors influencing type of engagement (adapted from Bowen et al. 2010)

3.3 Outcomes of community engagement

The outcomes of community engagement include benefits to the community, benefits to the company, and shared community-company benefits. Examples of community benefits are improved community infrastructure, volunteer time, and improved local capacity (Bowen et al. 2010). The primary benefit to the company is an opportunity to improve the company's legitimacy within the eyes of the community, and arises mainly from transactional and transitional types of engagement (Bowen et al. 2010). Legitimacy, as a precursor to credibility and trust, is fundamental to social acceptance (Thomson and Boutilier 2011). Community engagement allows the company to showcase its stance on social responsibility, demonstrating awareness of impacts, company learning and inclusive decision making. Joint benefits to the community and company, for example, shared ownership of problems and solutions, can only be gained through more meaningful types of transformational engagement. For example, Martin (2010) used case study research to highlight the shared benefits to company and community of establishing joint development goals with host communities. Understanding community aspirations in relation to the project and establishing a mutual understanding of company priorities, including commercial and non-negotiable parameters, were important aspects of the two-way dialogue underpinning a mutually beneficial outcome. These findings suggest that engagement beyond transactional approaches is needed to allow a meaningful relationship to develop, that has the depth of trust required to meet community expectations.

3.4 Community engagement is dynamic and multidimensional

Evidence suggests company-community relationships are dynamic and multidimensional, and in the CSG context different types of community engagement approaches are potentially required between the company and the various community stakeholders (Boutilier and Thomson 2011; Franks et al. 2010). This is largely to meet differing needs and expectations among different community segments that may be 'fragmented, contradictory and issue specific' (Salzmann et al. 2006). For example, the engagement between company and land owner, and company and town residents will be potentially different. CSG companies appear to recognise this difference and have different operational divisions to work with land owners and non-landowners. Segmenting community stakeholders can occur in a number of different ways, and requires the company to view the community not just as a community of place, based on geographic location, but as a network of diverse social groups with contrasting perspectives (Maguire and Cartwright 2008; Taylor and Stone 2012). Viewing community in this way provides opportunity for the company to more effectively tailor engagement strategies to meet stakeholder needs, with potential benefit for improved relationships and outcomes (Taylor and Stone 2012). For example, different needs may

exist among land owners according to the nature of the farming enterprise; the needs of the mixed farmer who has cattle and cropping production, compared to the needs of the intensive agricultural farmer who has irrigated cotton and grain production.

One particular feature of community diversity that can be overlooked in considering approaches to community engagement is that some segments of a population are more vulnerable than others to the negative impacts of resource development (Bridge 2004; Maguire and Cartwright 2008). For example, people on low incomes, who are also renting, frequently find that they can no longer afford the cost of living in a community with rapidly rising rental prices and accommodation shortages. These groups may also feel more marginalised within a community and have less capacity than others to ensure their concerns are heard (Maguire and Cartwright 2008, DITR 2006). Therefore, their concerns are more likely to be overlooked. This has been identified as one source of concern with the notion of a social licence as it is currently construed; that endeavouring to engage with 'community' as a homogeneous entity may reinforce established patterns of exclusion (Owen and Kemp 2013).

3.5 Community engagement and meeting expectations

Expectations are the reference point for evaluating the activities and behaviour of the company and may differ between different community segments and at the individual level (Salzmann et al. 2006). Satisfaction theory suggests that unless expectations are met, dissatisfaction may result with associated negative type responses (Oliver 1997; Zeithaml et al. 1993). Negative responses may include: anger and disappointment; complaining behaviour to family, friends, the wider community, the company, external parties, or regulatory bodies; and may extend to litigation.

The IAP2 outlines a set of values important to public engagement, and these values provide some indication of community expectations in relation to company behaviour and community engagement. Expectations intrinsic to the engagement process include:

- the premise that people affected by a decision have a right to be involved in the decision making process
- that the public's contribution will influence decision outcomes
- access to participation is incumbent on the process, with needs and interests of all parties actively sought
- suitable information is provided to allow meaningful engagement (IAP2 2007b).

The expectations of a company will also vary among individuals and over time, and the satisfaction literature indicates expectations are shaped by a variety of contextual influences. Personal experiences, word-of-mouth communication, media, explicit and implicit promises, personal needs, and personal values and philosophies are possible antecedents of expectations at the individual level (Oliver 1997; Zeithaml et al. 1993). However, it is unclear how individuals' expectations form or shape expectations at the community level, and if the same contextual influences are active at the community level. In understanding the expectations, values, and aspirations of those affected by a project it is important to accurately interpret the perception of a company's actions (Lockie 2008). The Bowen et al. (2010) research suggests that such an understanding can be developed through community engagement activities, provided the activities extend beyond transactional type approaches.

A company or industry's reputation can also potentially shape community expectations of how the company might behave (Gunningham 2003). Expectations, acting as the comparator for judging perceived behaviour, are capable of biasing the outcome when things go counter to expectations. For example, if someone has low expectations of a company, when things go wrong, or not as expected, that person's response may be different from that of a person with high expectations regarding the company. Attribution theory suggests a reputation, if good, is capable of acting as a buffer when expectations aren't met, because expectations of a high standard of performance



create a perception that the less than expected actual behaviour is a 'one off' and not typical of the company. On the other hand, if expectations are low, based on a company or industry reputation, a low level of performance can be perceived as 'typical' of the company, confirming expectations and resulting in negative type responses (Weiner 2000). Schandl and Darbas (2008) found in an earlier study of the Surat Basin that communities had low expectations in relation to CSG development in the region. Their findings from focus groups and interviews suggested that there were expectations of negative social impacts by the community, and that these were informed by early industry experiences and stories from other CSG communities. Overcoming such negative expectations requires community engagement processes that can lead to understanding of stakeholder perspectives, and foster trust and more meaningful dialogue.

4 Social Licence to Operate in the SEQ CSG Context

At present, there is very little written in the academic literature about how ideas about social licence to operate might be applied in the context of CSG development. In the following section, we make some suggestions for addressing this gap, drawing on the discussion above together with current knowledge about CSG development in SE Queensland and the changes being experienced by communities in the region.

4.1 Contrasts between CSG and mining

The context for CSG development in South Eastern Queensland is considerably different from that of most mining operations in Australia to date. A closest comparison might be with the Hunter Valley in NSW, in that local residents are affected by the cumulative impacts of multiple mines, owned by different companies; the extraction sites occur in close proximity to productive agricultural industry; and the region is relatively close to a capital city. Other factors that differentiate CSG developments further is that the extraction is extensively distributed rather than locally concentrated; that it is frequently located directly on agricultural properties; and that some of the perceived risks, such as contamination of groundwater, are perceived to affect areas far beyond the region itself. Most of these aspects of CSG operations have implications for how one might understand the idea of a social licence to operate.

4.2 Community perspectives

From the perspective of a local resident in Chinchilla or surrounds, many of the impacts and changes that they are currently experiencing are not associated with a particular company but with the cumulative effects of all the resource development occurring in the area. This includes large-scale coal mining, in addition to CSG development, which in itself encompasses four different CSG companies, as well as the large contracting companies that accompany them. Certainly, among landholders who interact directly with particular companies, it is apparent that some companies are perceived to be better than others to deal with (Capel 2012). However, these experiences do not reflect the totality of these individuals' experience of the impacts of CSG development, nor are they representative of the ways in which other residents in the region experience the changes. This raises the question as to how meaningful it is to consider the idea of a social licence in relation to an individual company. One corporation may perform well and be seen as a good corporate citizen in the eyes of people affected by the CSG industry. However, if this is not the case across all the companies and in a context where the impacts and perceptions vary considerably for different groups, acceptance of the industry overall, and therefore of any of the individual companies, may continue to be elusive. Perhaps, in the CSG case, it is more useful to consider the idea of a social licence in relation to the CSG industry as a whole. Franks et al. (2010) also suggest that a specific technology can require a social licence, an idea which is also relevant to the CSG context.

4.3 Recognising and responding to community diversity

As has already been discussed, communities are not homogeneous in their experiences, expectations and perceptions of an industry operating in their midst. CSG development will affect people differently as a result of many different factors, such as their stage in life, source of income, socio-economic status, personal values and the extent to which they experience benefits or losses arising from the development. For this reason, we highlight the importance of recognising the diverse segments within a geographic 'community of place' reflecting the diversity of ways in which CSG development is experienced. From an economic perspective, examples might be landholders, small business owners, service providers etc., recognising that even these categories incorporate their own diversity. Communities are also structured in other ways such as through social networks of community and sporting groups, and demographically, in terms of young families, youth, retirees etc. Individuals may well 'belong' to more than one 'community segment' (Taylor and Stone 2012). From a social licence perspective, this suggests a need to undertake a something akin to a stakeholder analysis, i.e. a social assessment (Maguire and Cartwright 2008) to identify the range of perspectives held by communities, how those perspectives are structured and/or clustered and the relationships between different community segments. In order to develop effective understanding of a community Lockie et al. (2008) and Maguire and Cartwright (2008) suggest that this process is best conducted in partnership with the community, beginning in the early stages of planning for resource development. This perspective on community also implies that a social licence itself is not homogeneous across a population (Boutilier and Thomson 2011).

4.4 Social licence in a mixed economy

The 'pyramid' model for a social licence outlined by Thomson and Boutilier (2011) identifies the highest level of a social licence as reflecting psychological identification (Figure 2.1, Table 2.1), where people affected by a company's operations may come to identify with the company and see their future as connected with the future of the organisation. This framing may be more applicable to a situation where mining provides the dominant economic base in a region and is anticipated to have a long term future. However, the CSG industry is representing itself as an industry that can 'co-exist' with agriculture. This would suggest that, for the farming sector in particular to 'identify with' the CSG industry, it would need to perceive that the industry was also working to perpetuate the future of agriculture, or at least not damage it. This issue is also relevant for other pre-existing businesses in the region that are unable to attract business from the CSG industry, often because they are unable to meet the scale of supply required by the industry. A further challenge in relation to achieving this level of a social licence is that there is already a perception among some residents in the region that the current boom in activity in the region is only temporary. People anticipate that, as the construction phase finishes, workforce numbers will decline and property values will fall, in a reverse of the prior trend. This does not predispose them to a long term positive identification with the industry. This also touches on the wider issue of community viability beyond the life of the industry in the region.

5 Implications for Research

For the purposes of this report and the research to follow, while we have chosen to focus on a particular 'geographic community', Chinchilla and surrounds, we are exploring the multiple perspectives present among different segments of this community and what CSG development means for them.

Managing the impacts of coal seam gas development and realising benefit for local communities is enhanced through having a clear understanding of the values, expectations and aspirations of different groups within these communities (Maguire and Cartwright 2008).

The research to follow from this review is designed to draw out the diverse values, interests and aspirations which underpin community expectations (Lockie et al. 2008) and to assist company and government representatives to understand community expectations through dialogue with community members.

Dialogue within rural communities is increasingly being considered as an approach for them to re-imagine their future in ways that take account of both local values and aspirations and of the global forces impacting upon them (Measham et al. 2012). Dialogue that involves communities, companies and governments is therefore a potential approach to addressing community expectations in ways that are seen as legitimate, credible and trustworthy (Schandl and Darbas 2008; Warhurst 2001).

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Contact us

Tsuey Cham

Phone: +61 7 3833 5673

Email: gisera@gisera.org.au

www.gisera.org.au