Gaining a social licence to operate: an enquiry in the Australian natural gas industry

Social Licence to Operate (SLO), within the context of corporate responsibility and sustainable development, is an emerging paradigm within the Australian extraction industry. Increasingly companies in the sector are striving to act beyond regulatory compliance in order to gain the broad, ongoing approval and acceptance of the communities in which they work. This research investigates the key factors which contribute towards or undermine an SLO being granted by the host community in the Natural Gas Industry by conducting a study of community perceptions in Gladstone Region, an area which has seen over $50 billion dollars of investment in Liquefied Natural Gas infrastructure. The results of the study show that where Oil and Gas companies positively engage with the community, manage environmental impacts, build trust, allow the community to share in the economic benefits of developments and support community wellbeing an SLO is more likely to be established. In this study, social impact management was not found to directly predict SLO outcomes. The findings of the study provide a practical framework for Oil and Gas companies operating in Australia’s Natural Gas Industry in acquiring an SLO.

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