

SYDNEY 27–29 MAY, 2019

## Too much of a good thing? Can a strong social licence leave communities in tears?

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### ABSTRACT

A strong social licence to operate (SLO) is thought to be the product of good community relations and can be a contributor to sustainable community development. It provides mining companies with a degree of socio-political risk protection by strengthening community trust. It also benefits companies by improving their reputations and avoiding the costs of conflict.

The Thomson and Boutilier (2011) model of the social licence provided a framework for developing a quantitative measure which has been used at 53 mining and energy projects in 11 countries on four continents (Boutilier 2017). The social licence scores varied across six sextiles labelled as withdrawn, low acceptance, high acceptance, low approval, high approval and full trust. Through their life cycles, most mining projects score in the acceptance and approval levels. It is rare to see scores in the high approval and full trust levels. However, two recent studies have found very high social licence scores at six Australian mines. Although operated by different companies, these projects share common characteristics. They are (a) gold mines in remote regions, (b) the major or only employer, and (c) within 15 years of closure. The nearby communities are economically dependent on the mines, with few other sources of income.

Are these mines simply doing a good job with their community relations, or, do the high social licence scores mask a risk of community dependency which could result in profound economic and social pain when the mines eventually close? In this paper, we hypothesise the reasons why a mine might enjoy a high social licence even though sustainable community development is far from assured. We posit that current constructs of the social licence to operate need to be broadened to explicitly include planning for sustainable community development beyond the life of a mine.

### References

Boutilier, R. G. 2017. A measure of the SLO for infrastructure and extractive projects, [www.sociallicense.com](http://www.sociallicense.com).

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