Understanding Stakeholder Trust in Queensland's Coal Seam Gas Industry

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1. Research Questions

- ✓ What are the **key drivers of trust** in the CSG companies and industry for each core stakeholder group?
- ✓ What level of trust do stakeholders hold in the CSG companies and industry? Where are the priority areas?
- ✓ In what ways are the key drivers of trust similar and different across the stakeholder groups?
- ✓ Which stakeholder groups are most salient in influencing trust in the industry?
- ✓ What do CSG stakeholders' perceive to be critical for building and maintaining trust going forward?

4. Interview Results

Key drivers of stakeholder trust and distrust:

- 1. Integrity & Transparency
- 2. Communication & Interaction
- 3. Competence & Efficiency
- 4. Community Impact and Contribution
- 5. Co-existence
- 6. Shared Identity
- 7. Comparative Reputation
- 8. Environmental Concerns
- 9. Governance & Regulation
- 10. Unpredictability & Uncertainty
- 11. Power Differential



2. Methods

In-depth interviews with 145 stakeholders (Q3 2013; Q3 2014)

Online survey with 561 stakeholders (Q1-Q2, 2015)

Five Stakeholder Groups:

- 1. Landholders
- 2. Community Members
- 3. Regional Leaders
- 4. Industry Regulators
- 5. CSG Employees (including contractors)

NB: 50% of participants identified with one or more groups

5. Priority Recommendations

- ✓ Build and maintain trust with <u>landholders</u>: access & compensation agreements, respect and co-existence
- ✓ Increase <u>transparency</u>: 'honestly' share information, plans and regulatory compliance, educate and show the facts
- ✓ Address <u>environmental</u> (and health) concerns
 - Minimise and report impact
 - Independent research to 'prove its safe'
- ✓ Fulfil <u>commitments</u> and 'honour agreements'
- ✓ Support and invest in <u>local communities</u>
- ✓ Improve effectiveness and impartiality of governance, regulation, monitoring and enforcement
- ✓ Enhance industry <u>collaboration</u> and sustainability
- ✓ Improve management of <u>contractors</u>

3. Survey Results

Stakeholders differ in their trust of CSG companies:

- Landowners reported low trust (M=2.2, 1-7 scale).
- Community members and Regional leaders are polarised: significant proportions reported low trust and significant proportions reported high trust (M=3.6 to 3.7).
- Regulators reported moderate trust overall, reflecting equal proportions of low, moderate and high trust (M=3.9).
- Employees and contractors reported high trust (M=5.6).
- Statistical analyses (ANOVA) revealed that employees report higher trust than all other stakeholder groups, whereas landholders report lower trust than all other groups.
- External stakeholders perceive the companies highest on competence and lowest on integrity.

Stakeholders perceive the CSG industry differently:

- The majority (67-72%) of employees perceive the industry to be trustworthy and well governed/regulated, compared to a minority (5%-39%) of external stakeholders.
- The majority of external stakeholders report concerns over the environmental effects of CSG (68–94%), perceive the industry to be too focused on the short-term rather than the long-term (66–93%), and to be unpredictable and uncertain (70–76%), in contrast to a minority of employees (37–44%)

Trust in the industry is dynamic:

- 61% reported changes in their trust over time.
- Employees, regulators and regional leaders reported similar levels of increased and decreased trust over time.
- Landowners and community members were more than twice as likely to report decreased than increased trust.