




2022 will be the year hydrogen develops social licence

By Dr. Fiona Simon on Feb 02, 2022

[NEWS](#) | [EXCLUSIVE](#)

 bp - Official Sponsors of H2 View's Policy Content

Social licence is a term that's widely used but not very well defined. The Ethics Centre (formerly the St James Ethics Centre) defines it as "the informal acceptance granted to an individual or organisation by a local community". It's a complex and contested area of public policy.

Most policy-makers seem to agree that social licence is earned, not automatically granted, and that the easiest way to lose it is by being perceived to be doing harm. What does this mean for the emerging hydrogen industry?

First and foremost, we need to take social licence seriously. The cost of not doing so is invariably heavy.

A 2019 report by Infrastructure Australia found that community opposition had "contributed to the delay, cancellation or mothballing of more than \$20bn of infrastructure projects in the last decade".^[1]

For a stark example, wind the clock back to the early 2010s when a Far Northern New South Wales (NSW) farmer struck a deal to allow a coal seam gas company to explore his property. Community disquiet followed and moved Lismore City Council to conduct a poll to measure community feelings at the 2012 local government elections. It elicited a response rate of 97% with a resounding 87% of respondents opposing CSG.^[2]

Within two years, thousands of people were laying siege to the property of the farmer who had signed the contract. It cost the NSW Government \$25 million in compensation when it cancelled the gas licence it had granted – and probably more in political skin.

Solar farms are relatively well accepted as a form of renewable energy generation.

Nevertheless, the CSIRO recognised the importance of social licence to the public acceptance of large-scale solar in January 2021 when it announced a long-term study that would include a review of factors influencing its social licence, as well as a national survey on identified issues.^[3]

Just as all politics is local, the granting or revoking of a "licence to operate" usually involves perceptions of risk occurring close to someone's home. It's almost always a case of risk outweighing any perceived benefits.

Energy companies, mobile phone carriers and banks are perennial villains in the popularity stakes, and that shouldn't surprise anyone. They're sectors that directly interact with their customers and are lightning rods for negative mainstream and social media attention.

Customers get angry about bills, hidden charges and poor service, but nobody seriously calls for the companies they blame to be shut down.

Most people believe the benefits of having a mobile phone plan outweighs the aggravation of a sneaky surcharge or a bill that's harder to read than the Dead Sea Scrolls.

As lecturer in Geoscience at Southern Cross University, Hanabeth Luke, wrote in *The Conversation* in 2018: "Local context is key. The legitimacy of a project hinges on whether people think a project will create more benefits than problems. And people's perceptions emerge from a combination of local economics, demographics and social values."^[4]

Right now, the role that hydrogen can play in the everyday lives of Australians is not yet top of mind but there are some preconceptions that exist.

A 2018 research project into attitudes towards the technology, commissioned for Australian Renewable Energy Agency (ARENA) and presented to the Council of Australian Governments' Energy Council, found that most people were positive about hydrogen, yet cautious.^[5]

They wanted to know more about the safety of emerging hydrogen technologies, and regarded environmental benefits and the fair sharing of economic benefits as important.

The strongest support was for hydrogen for export and transport, with less enthusiasm for household use for things like water heating and on-site electricity generation.

And the leading benefit was perceived to be environmental – including the potential for addressing climate change.

That ARENA project unsurprisingly found Australians didn't know much about hydrogen's properties and its potential energy applications. Those who did have some knowledge were likely to be males, people with university degrees, early adopters and those born overseas.

We clearly have work to do.

Addressing community concerns and protecting the social licence of the emerging hydrogen industry is a formidable task. Each of us involved in the industry will have a role. Industry players will themselves need to behave in ways that help communities better understand the opportunities and challenges that hydrogen projects present.

Change creates suspicion and we need to clearly and honestly communicate the facts about our industry in a way that meets and responds to community expectations.

There will be concerns about how hydrogen is made, transported and used, and these will overlap with existing social licence concerns for related industries.

As an industry, we have an obligation to ensure communities are equipped with the information necessary to make informed decisions about the role hydrogen will play in their lives.

References

[1] Australian Infrastructure Audit 2019, Infrastructure Australia (2019), pages 15, 221.

[2]<https://onlinelibrary.wiley.com/doi/abs/10.1111/1745-5871.12071>

[3]<https://ecos.csiro.au/how-social-licence-could-shape-large-scale-solar/>

[4]<https://theconversation.com/not-getting-a-social-licence-to-operate-can-be-a-costly-mistake-as-coal-seam-gas-firms-have-found-93718>

[5] The Australian public's perceptions of hydrogen for energy (Lambert and Ashworth, 2018)

