



#### COMMUNITY ENGAGEMENT – A CRITICAL COMPONENT OF RISK MANAGEMENT AND PROJECT VIABILITY

Geoff Allen, AM, Director of Allen Consulting Group and National Chair of the Committee for Economic Development of Australia

Geoff Allen has been a Commonwealth Public Servant and senior political advisor. As Senior Research Fellow at the Melbourne Business School (MBS), subsequently as Adjunct Professor, he taught MBA and executive programs for 30 years, and for 10 years was Deputy Chairman of MBS. He was co-founder and foundation CEO of the Business Council of Australia. He's chaired a number of Commonwealth and State advisory bodies including the Trade Negotiations Advisory Group (Uruguay Round) and the Australian Government's Trade Policy Advisory Council. He was a Member of the Prime Minister's Community Business Partnership and Director of several public companies. As Founder and Director of the Allen Consulting Group he has advised major companies and government agencies at the highest level for over 20 years. Currently Allen is Chairman of the Committee for Economic Development of Australia; Chairman of Australian Statistics Advisory Council; Director of the Centre for Social Impact, and Chairman, Centre for Corporate Public Affairs.

#### ABSTRACT

Community engagement can be used to enhance risk management and increase project viability; conversely mismanagement of community engagement can threaten projects.

PESA News No. 111 (2011)

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The growing assertion of community rights and entitlements has major implications. It is increasingly playing into political and regulatory processes, and is affecting development of new projects and community recognition of the 'licence to operate'.

The changing nature of project-community relations has prompted changes in business-case driven corporate community investment, as well as modes of dialogue and other forms of engagement. Companies need to consider how to determine appropriate circumstances for various levels of participation (from 'information' to 'consultation', 'co-determination' and 'delegation'), ways to find solutions and optimise agreement using community engagement as a competitive tool and as a pre-competitive industry strategy, and interaction with corporate incentive systems approaches to both corporate and community capacity building for effective outcomes.

Nowadays, it makes sense to integrate socio-political and regulatory risk analysis and mitigation with traditional risk management and performance systems.