

# Listening to the impacts of the PNG LNG Project

Central Province, Papua New Guinea

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The PNG LNG Project, operated by ExxonMobil subsidiary Esso Highlands Limited, is predicted to double Papua New Guinea's gross domestic product and result in significant social and economic change — both positive and negative.

Oxfam seeks to support community and civil society organisation initiatives that aim to ensure benefits from this project are enjoyed by all Papua New Guineans and that any negative impacts are avoided or minimised. We are also keen to support community initiatives that seek to navigate the many changes this project will contribute to or cause, while recognising broader patterns of change in Papua New Guinea.

As a first step, Oxfam commissioned the LNG Impact Listening Project to understand people's experiences and views of the impacts of the PNG LNG Project, and how they are responding to these impacts. We also commissioned the project to help communities and civil society organisations to work towards minimising negative impacts and ensure benefits are enjoyed by all.

Oxfam wishes to acknowledge Iris Wielders who led the LNG Impact Listening Project. We thank Iris for her efforts to bring community, the PNG LNG Project developer and district government representatives together during the project, for her support of the listening teams during the fieldwork, and for her valuable insights and commitment to the project process.

Oxfam would also like to acknowledge and thank the LNG Impact Listening Project partners, members of the listening teams, and all the other organisations that participated in and supported this project. Finally, we thank all those community members who shared their frank and honest experiences and views of how the PNG LNG Project is affecting their communities and their lives.

**Christina Hill, Serena Lillywhite and Sam Ramsden**  
Oxfam

This report documents the process and outcomes of the LNG Impact Listening Project. This project brought together civil society and community-based organisations working in four villages affected by the PNG LNG Project in Central Province, Papua New Guinea.

A team of dedicated people helped in various ways to inform the community entry strategy, establish and participate in the listening teams, participate in workshop discussions and draft this report. These committed individuals included Sally Mokis, Susan Setae, Judy Swokin, Freda Magini (Papua Hahine); Laeko Bala, Bono Nariki (Central Province Council of Women); Esmie Freda Senapa, John Hosea (PNG Red Cross); Arthur Toua, Gabe Vagi, Janet Dobi, Rarua Gamu (PNG Red Cross volunteers); Charlie Clement, Gini Kevin (Salvation Army); Bena Seta, Kali Sete (United Church); Naomi Tolo, Hekoi Seneka, Boio Tarata, Vada Dogo, Boni Tai, Lucy Igo, Henao Oda (United Church Women's Fellowship); and Michael Ipa and Sharon Koitut (Oxfam Youth Action Partners).

A broader group of civil society organisations also provided feedback and insights throughout the process, including the Centre for Environmental Law and Community Rights, Population Services International, Transparency International, Peace Foundation Melanesia, the National Research Institute and the Institute for National Affairs. Two anthropologists, Michael Goddard and James Weiner, also offered their insights. Esso Highlands Limited and Hiri District Government personnel agreed to interviews and participated in a day-long stakeholder workshop, enabling dialogue around impact issues between key PNG LNG Project stakeholders.

The Terms of Reference for the LNG Impact Listening Project were developed by the Oxfam PNG Program, and the Oxfam Mining Advocacy Program based in Melbourne, Australia. The project was managed by Sam Ramsden, Program Manager, Oxfam PNG, with support from Christina Hill and Serena Lillywhite from the Oxfam Mining Advocacy Program. Oxfam PNG's Disaster Management Officer Harry Gubala was part of the listening team and provided invaluable support with local insights and logistics. All other staff members at the Port Moresby office were interested in and enthusiastic about the LNG Impact Listening Project, and provided important support in their various roles. Jennifer Worthington, Oxfam's Pacific Humanitarian Coordinator, was a great help with the risk assessments.

I would also like to thank the many people who took time to speak to the listening teams about their views of the impacts of the PNG LNG Project.

Key aims of the LNG Impact Listening Project were to support and build the capacity of people from the affected communities and local civil society organisations to undertake research and engage with the developer. The project also deliberately focused on the views and experiences of women. For me, one of the greatest joys of this project was working with such a formidable group of women, and hearing from them how they enjoyed being part of the LNG Impact Listening Project.

Lastly, my thanks to Oxfam for the opportunity to work on this project. Their support for innovative approaches to research, capacity building and dialogue is commendable.

#### **Iris Wielders**

Coordinator, LNG Impact Listening Project



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Oxfam is an independent, non-government aid and development organisation. The organisation undertakes long-term development projects, provides humanitarian responses during disaster and conflict, and advocates for policy and practice changes that promote human rights and justice.

Oxfam has been working in Papua New Guinea since the early 1990s. Oxfam in Papua New Guinea works with civil society and government to address root causes of poverty and inequality through our work on livelihoods, essential services, governance, human security, combating gender-based violence, and disaster risk reduction and response. Further, Oxfam in Papua New Guinea works to strengthen the ability of women and men to use natural resources, exercise control over productive assets, and ensure food and livelihoods security.

Oxfam's Mining Advocacy Program works to influence the policies and practices of mining, oil and gas companies, and the Australian Government and multilateral institutions that support extractive industry activities and responsible business practice. The Mining Advocacy Program also works with affected communities to support them to understand their rights and corporate accountability mechanisms available to them to hold companies to account for their practices. The program focuses on human rights, gender, community-company relationships, revenue transparency and free, prior and informed consent.

# 1.0 Introduction

The PNG LNG (liquefied natural gas) Project is the largest gas development project in Papua New Guinea, and one of the largest in the world. It includes gas production and processing, liquefaction, storage and export. Esso Highlands Limited, a subsidiary of ExxonMobil, is constructing the plant and will operate the project on behalf of joint-venture partners Oil Search Limited, National Petroleum Company PNG Limited, Santos Limited, JX Nippon Oil and Gas Exploration Corporation, Mineral Resource Company Limited and Eda Oil Limited. The PNG LNG Project is projected to more than double the gross domestic product of Papua New Guinea (Acil Tasman 2009, p. vi).

Between April and June 2011, Oxfam's Port Moresby Program, together with a number of local civil society and community-based organisations, organised a small community-based participatory "listening project"<sup>1</sup>. The project aimed to understand people's experiences and views of the impacts of the PNG LNG Project on their villages (Porebada, Boera, Papa and Lea Lea), all of which are located near Port Moresby and the gas liquefaction plant site.

Small teams comprising people from partner organisations (listed in Section 3), including people from the four villages, went to listen to people's views over three days, ensuring in particular that the voices of women and young people were heard. In addition to the community visits, interviews were held with district level officials and with personnel from Esso Highlands Limited, the project developer.

### The objectives of the listening project were to:

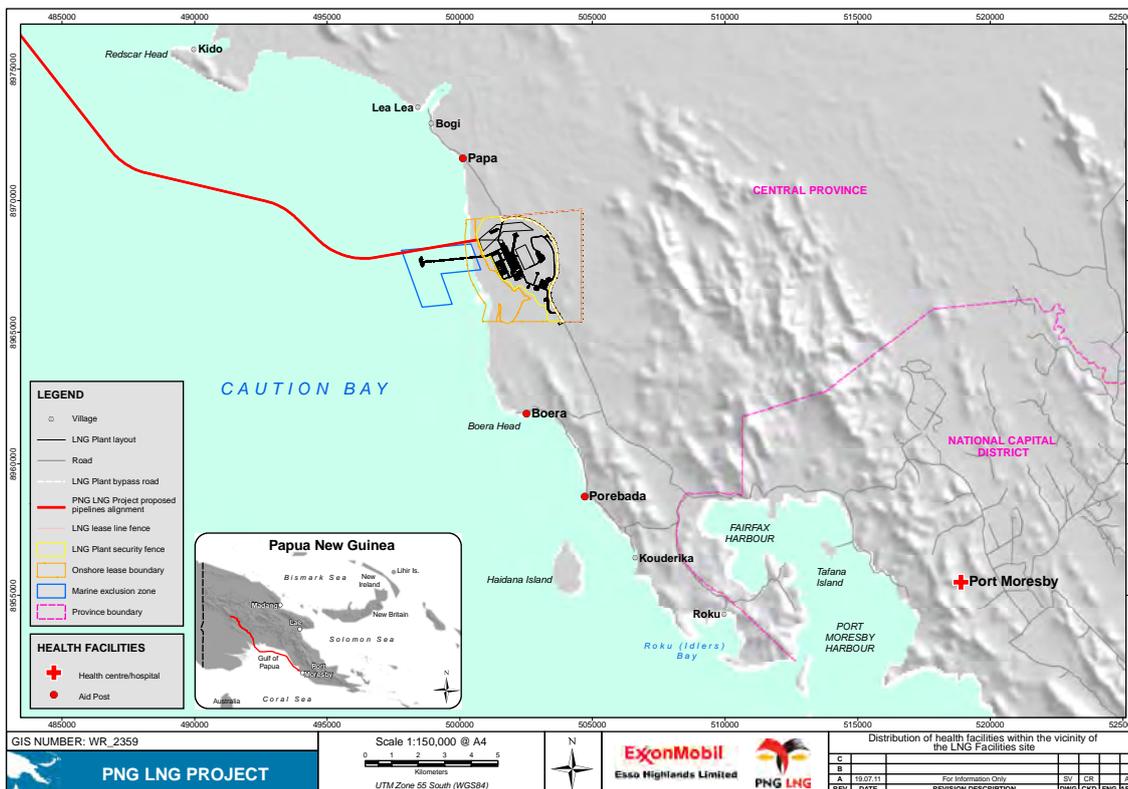
- develop an understanding of the potential positive and negative impacts of the PNG LNG Project by documenting communities' experiences and views of these impacts;
- generate dialogue between communities and project decision-makers;
- produce a report describing how the PNG LNG Project is perceived to be affecting the communities to help these and other communities engage with project decision-makers in managing expectations, and positive and negative impacts; and
- underpin potential further work for the LNG Impact Listening Project partners.

This report describes the outcomes of the LNG Impact Listening Project. Firstly, it offers background information on the PNG LNG Project and then sets out the methodology that was used during the listening project, and the steps that were undertaken.

The findings described in this report seek to reflect some of the views of three important stakeholder groups interested in managing the impacts of the PNG LNG Project: the project developer Esso Highlands Limited, the Hiri District Government, and community members from the four villages. The initiatives and broader background of the developer's impact mitigation and community support are also outlined, mostly based on the developer's publicly available documentation (see Section 6).

The concluding section briefly recaptures the outcomes of the LNG Impact Listening Project, including summaries of a stakeholder workshop that brought the three stakeholder groups together with project partners to discuss the draft report, and a separate meeting of the LNG Impact Listening Project's partners and other PNG civil society organisations to discuss potential follow-up initiatives.

## Location of PNG LNG plant



Map reproduced with permission from ExxonMobil.

The PNG LNG plant site is located on the coast of Central Province, in between the villages of Boera and Papa, approximately 15km from Port Moresby. The plant site is also known as “Portion 152”, the name of the lease of the land. The land is registered as state land and has been leased by the Government of Papua New Guinea to the developer. This lease is subject to an ongoing court case initiated by a number of villagers.

The PNG LNG Project involves the movement of compressed hydrocarbon gas from existing oil and gas fields in the Highlands of Papua New Guinea through a pipeline (across land and submarine) to processing and storage facilities at Portion 152. The building of the processing plant facility requires a range of utilities and infrastructure, including a temporary camp to house approximately 7,500 personnel during the construction phase, and an operations camp for approximately 250 operations and maintenance personnel. It also includes a helipad, the upgrading of the existing road between the facility and Port Moresby, and the re-routing of the public road around the site. A trestle and causeway will be built to connect the incoming pipeline, and another causeway will hold a materials off-loading facility (Goldman 2009, pp. 4–453) for shipment of the LNG to overseas markets. Currently the road upgrades are in progress, a security fence has been erected around the area, and the first concrete for the plant was poured in April 2011 (Esso Highlands Limited 2011b).

The four villages closest to the PNG LNG plant are Lea Lea, Papa, Boera and Porebada. These are within the Hiri Rural Local Level Government (LLG) area, which forms part of Hiri District in Central Province. The LLG has a total population of approximately 28,000 people (2000 census). The 2000 census lists the population in the villages as Lea Lea (1,878), Papa (959), Boera (1,310) and Porebada (4,510). By now, these numbers will have increased significantly, in particular in Porebada.

The area was settled some 200–300 years ago by the migration of two peoples. The Koita people split from the Koiari near Sogeri in the hinterland and moved south-west towards the coast, while coastal Motu people moved west along the coast. The two groups intermarried and today are known as the Motu-Koita or Motu-Koitabu people (Goddard 2010). The villages of Porebada, Boera and Lea Lea are Motu-Koita and the people speak Motu. Papa is inhabited by mostly Koitabu people who speak the Koita language.

## 2.0 Background Cont.

The Motu-Koita people were among the first people in Papua New Guinea to be contacted by missionaries in the 1870s. Their location in the Port Moresby area meant they have a long experience of interaction with missionaries, colonial administration and government. These interactions have impacted heavily on Motu-Koita traditional culture, leading to the disappearance of many traditional cultural expressions by the end of the colonial period. The administration, missions and other negotiations with intermarrying foreigners have led to the alienation of large tracts of land. The customary land acquisitions of intermarrying foreigners in particular were often not recorded and continue to underpin long-running land disputes between villages. On formally acquired lands in the urban area, the growth of informal settlements has led to rising concerns over land loss among the Motu-Koita, and to land disputes being taken to court. The fears of loss of land and loss of traditional culture are closely interrelated and amount to a strong sense of social marginalisation among the Motu-Koita (Goddard 2010).

Collectively, the four affected villages are known as a “greenfield” because they have not earlier been exposed to large-scale resource extraction industries. This means the people have had little experience with establishing incorporated land groups (ILGs) or other representational organisations related to large-scale benefit-sharing and compensation arrangements. During PNG LNG Project benefit-sharing negotiations in 2009, two different groups were competing to represent the landowners of the four villages (Post Courier 1 June 2009). This resulted in a dispute between two umbrella landowner companies: BRPP and Laba Holdings (Post Courier 6 – 7 July 2009).

On 30 January 2010, a serious clash between Porebada and Boera villagers led to the deaths of four men from Porebada. The initial disagreement was linked to long-standing animosities over land between Boera and Porebada. On that day, villagers from Porebada had stopped the work of Curtain Brothers, one of the PNG LNG Project contractors, arguing they had crossed the agreed boundary. Boera youth drove past in a truck and began arguing with the villagers. The following day, matters got out of hand and resulted in the deaths. A number of houses were burnt down in Boera (Post Courier 1 February 2010). The incident shocked the nation and the people in the villages, as the Motu-Koita regard themselves as a peaceful people and incidents such as this have been rare.

## 3.0 Methodology

The LNG Impact Listening Project methodology drew on the methodology used in a listening project initiated by the US-based non-government organisation CDA Collaborative Learning Projects.

A core element of the LNG Impact Listening Project was the partnership between a number of civil society and community-based organisations that are based in or work with the four communities.

### The LNG Impact Listening Project partners were:

- Papua Hahine
- Central Province Council of Women
- Red Cross
- Salvation Army
- United Church
- United Church Women's Fellowship (from the four communities)

The methodology also drew on participatory action research techniques, in that people from the communities, as well as members of various civil society organisations, were part of the listening teams that went to the communities to hear people's views on the impacts of the PNG LNG Project.

The LNG Impact Listening Project was designed to especially bring out the voices of youth<sup>2</sup> and women (initial discussions with partner organisations revealed a view that women's voices had not been sufficiently heard in the PNG LNG Project negotiations).

The focus on women was achieved in two ways: most of the listening team members were women, and more than half of the people listened to were women. Drawing out the perceptions of young people was more challenging. In most of the villages, many of the young people are employed at the PNG LNG plant site or are being trained by the PNG LNG Project. This meant that many were not in the villages during the day when the listening teams visited. Nevertheless, more than 200 young people were interviewed as part of the project.

The LNG Impact Listening Project began with an analysis of relevant literature on the four villages and the PNG LNG Project. Newspaper articles, anthropological sources, and the PNG LNG Project's publicly available documentation were reviewed. A series of meetings was held with partner organisations and other people with knowledge of the four communities.

Based on this background analysis, options for community entry strategies and potential risks were set out and discussed. A risk assessment table was created and continuously updated throughout the project. A reference group was set up to provide feedback at various points in time. Risks to project team members, the community, and Oxfam staff were considered.

Before the community visits, listening project team members were brought together for a day of training. They discussed how to listen to people's views of the impact of the PNG LNG Project, how to deal with potentially sensitive issues, and how to take notes and work in small teams. Issues such as potential bias and "research fatigue" were also discussed.

The listening teams comprised people from Oxfam (including Oxfam Youth Action Partners)<sup>3</sup>, Papua Hahine, the Central Province Council of Women, and the PNG Red Cross. They also included women from the United Church Women's Fellowship from the communities. Most of the team members were from Central Province. Twenty people were divided into four teams that visited the four villages over the course of three days.

What people heard during community visits was discussed at the end of each day, and emerging themes were noted. After the community visits, the team members were brought back together for a day of note collating. Examples of what people had heard were written up and placed in different thematic categories. The team then discussed each of these categories in turn. In addition to listening to the voices of people in the communities, the project coordinator held interviews with Hiri District Government and Esso Highlands Limited personnel.

Based on the information collected in this manner, a draft report was prepared and circulated before the stakeholder workshop. This one-day workshop brought together the LNG Impact Listening Project partners with representatives from the developer and Hiri District Government to discuss the themes that had emerged from the project. This stakeholder workshop was followed by a morning meeting of the LNG Impact Listening Project partners with a broader group of civil society organisations interested in the project. At this meeting it was discussed how organisations may want to follow up on the LNG Impact Listening Project's outcomes. A final draft report was then circulated for a last round of comments.

## 4.0 Scope

The LNG Impact Listening Project was not conceived as a standard research project. Although the collection of information and the writing of a report were part of the project, the capacity development of civil society and community-based organisations was considered equally important. The aim of the project was not to present a conclusive picture of the impacts of the PNG LNG Project. Instead, it was to empower civil society and community-based organisations to listen to and help voice people's perceptions of such impacts, and to help them discuss these impacts with PNG LNG Project decision-makers. This report documents the views heard during the project.

The listening teams held informal conversations with a random selection of people in the communities (while following customary protocols around community visits). Some of these conversations were held with individuals, some in small groups. The conversations did not include questionnaires or other lists of previously established questions. Rather, open conversations were initiated by asking people about their views of the impacts — both positive and negative — of the PNG LNG Project in their communities. The teams spoke to 730 people, with half of these in Porebada, which is substantially larger than the other villages.

Conversations were driven by what people wanted to tell us, which means that what is reflected in this report cannot be a conclusive assessment of all impacts. Instead, this report reflects the themes that came out of the conversations held by the listening teams. It does not represent all perspectives, but aims to highlight the issues that were consistently raised in the four communities.

The listening team members asked about positive and negative impacts, but people often focused on the negative impacts, expressing their concerns first and foremost. In addition, because the listening teams visited the communities during the day, it is likely that fewer people that work for the PNG LNG Project were spoken to, as they were not always in the community during the day.

This report also reflects the views and initiatives of government and the PNG LNG Project developer to help manage these impacts. However, this report should not be read as an assessment of such initiatives. By reflecting the views and initiatives of these different stakeholders, the report aims to be a basis for discussion around the impacts of the PNG LNG Project, and how communities could be helped by civil society in managing impacts and expectations. Discussion of the impacts of the PNG LNG Project is also an important part of the developer's impact mitigation and community support initiatives.

Due to its size and exposure in Papua New Guinea, the PNG LNG Project has raised high expectations. Its impact on communities has led to tensions over land (often grounded in older disputes), and brought the need for communities to organise themselves in new ways, which has led to or exacerbated existing divisions in some instances. Throughout the project, potential risks and sensitivities were analysed and discussed to ensure the conflict sensitivity of the project.

### Number of people listened to

|          | Men        | Woman      | Young Men  | Young Women | Totals     |
|----------|------------|------------|------------|-------------|------------|
| Porebada | 51         | 161        | 91         | 82          | <b>385</b> |
| Boera    | 20         | 27         | 21         | 15          | <b>83</b>  |
| Papa     | 29         | 77         | 4          | 3           | <b>113</b> |
| Lea Lea  | 15         | 120        | 3          | 11          | <b>149</b> |
|          | <b>115</b> | <b>385</b> | <b>119</b> | <b>111</b>  | <b>730</b> |

## 5.0 Impact, attribution and responsibility

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The impact of the PNG LNG Project on these four communities needs to be placed within a broader context of change in Papua New Guinea. Broader development processes have brought the growth of Port Moresby nearby and introduced a monetary economy. These developments have brought and continue to bring changes to these communities. Some of the impacts mentioned by people can be attributed directly to the PNG LNG Project, while others may also be linked to a broader context of change.

Behind the question of attribution lie questions of responsibility to address or mitigate impacts. This report does not draw conclusions about which impacts should be addressed by the developer or other stakeholders. Instead, the main impact themes reflected here are meant to form the basis for further discussion and potential action on the part of the developer, civil society organisations, the government and communities. Such discussion was initiated through the stakeholder workshop held as part of the LNG Impact Listening Project (see Section 9).

## 6.0 The PNG LNG Project's engagement with the villages

Government regulations, international frameworks, project lender or financier requirements and companies' internal policies set out a number of requirements for resource extraction companies. The aim is to ensure company activities do not harm the environment or people.

To comply with such regulations, the developer has initiated a number of studies related to social and environmental impact assessments. These have included archeological research, a household survey, an examination of women's issues and a traffic survey. In addition, an elaborate health impact assessment was piloted in 2008 and continues today, implemented by the Institute for Medical Research. In 2008, a social mapping and landowner identification process was also undertaken (Esso Highlands Limited 2009a, chapter 17). A cultural heritage salvage program began in September 2009, with activities ending in March 2010 (Esso Highlands Limited 2010b, p. 80). More recently, surveys of fish catch landings have been undertaken (Esso Highlands Limited 2010c, p. 21), and the developer has conducted a project-induced migration study to investigate impacts specific to population influx (Esso Highlands Limited 2010b, p. 24).

These studies underpin a framework of environmental and social impact mitigation commitments, which are subject to independent review by the group of lenders (see D'Appolonia 2010 & 2011). Facilitated by the developer's village liaison and community affairs officers, who are from the villages, there are frequent communications between the developer and the communities, with a strong emphasis on safety messages (interview with Esso Highlands Limited, 3 June 2011).

After some initial delays (D'Appolonia 2010, p. 73), a grievance mechanism has also been established. Issues are raised either informally or through meetings. The village liaison officers or community liaison officers then note this in a form, which is submitted to the developer's community liaison team at the PNG LNG plant site. The concerns are then delegated to the appropriate people, and logged in an information management system. How this happens and who is involved in this process depends on the issue (interview with Esso Highlands Limited, 3 June 2011). In the first quarter of 2011, the most common categories of grievances related to business development and participation in the construction phase of the project as well as land compensation and ownership grievances (Esso Highlands Limited 2011a, p. 12).

The PNG LNG Project has helped to establish Laba Holdings as the umbrella landowner corporation (LANCO) to coordinate the separate companies in each of the

villages (Esso Highlands Limited 2010b, p. 19). Each of the four villages has a 25% stake in Laba Holdings, and two members from each community sit on the Laba Holdings Board. In turn, Laba Holdings has established joint ventures with other companies to contract work in security, catering and in-camp maintenance services. Laba Holdings looks after the hiring of labour from the four villages as well as from other parts of PNG (interview with Esso Highlands Limited, 3 June 2011).

The developer has established a construction training facility within the Port Moresby Technical College. Since training began in April 2010, 355 men and 84 women from the four villages have graduated with certificates in civil and building construction, scaffolding and mechanical/piping in preparation for employment at the PNG LNG plant site. Another training centre in Port Moresby is training 75 men and women who will work in plant operation and management during the production phase (Esso Highlands Limited 2010e, p. 10). To further facilitate business development, the developer has established the Enterprise Centre with the PNG Institute of Banking and Business. It conducts business-related training and provides business advisory services. The Enterprise Centre has held a series of workshops that introduced 600 business people to the PNG LNG plant and marine facilities contractor (Shiyoda), and its sub-contractors, to learn more about them and potential business opportunities (Esso Highlands Limited 2010d, p. 17). More recently, the Enterprise Centre has extended some of its services to the four villages to assist in business development skills such as cash flow, budgeting and developing business plans (Esso Highlands Limited 2011a, p.11).

Various forms of community development assistance have been provided, often in partnership with civil society organisations. For example, in Papa the developer is helping the Salvation Army to upgrade its clinic. It has also provided medical equipment and supplies to the Papa and Porebada aid posts (Esso Highlands Limited 2010c, pp. 24–25). As part of the PNG LNG Project's strategic community investments, a replacement of the footbridge across the river near Lea Lea is being designed, with the intention of hiring local village workers to undertake the bridgeworks (Esso Highlands Limited 2010e, p. 28). At the end of 2010, non-government organisations Population Services International and Marie Stopes PNG entered into agreements with the PNG LNG Project to educate people about family planning and sexual and reproductive health (Esso Highlands Limited 2010e, p. 22).

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Longer-term community support plans focus on social resilience, local economic development and community capacity building and partnerships. For example, to promote social resilience, the developer has initiated the development of a series of children's books that aims to educate children about different cultures within the project impact area. To support local economic development, the developer has joined with Cashew International Limited to support cashew production in the four villages (Esso Highlands Limited 2011a, pp. 18–19).

To underpin these community support mechanisms, a community mapping exercise was completed in 2010 and visioning exercises begun with community leaders to help them to organise representative governance committees (Esso Highlands Limited 2010e, p. 27). Working closely with the LLG ward development committees, community support aims to help the communities help themselves. Sub-committees on various topics have been established, for example the school committees, and the in-migration committees, which discuss population changes and land-use planning.

*"In Lea Lea the sub-committee on in-migration has done a physical map of the village to look at the land that is available. We have only acted as facilitators to help the communities manage these influx issues"*  
(interview with Esso Highlands Limited, 3 June 2011).

Esso Highlands Limited community affairs personnel noted how:

*"the challenge is the expectation that we should solve everything. There are huge expectations to manage. We don't want to become the government, the church or the LANCOS [landowner corporations]. We make it clear that it's yours, and make sure we do not take that ownership away. It's about community demands and how to manage them, and ultimately, it's about relationship-building. And this did not happen overnight; we had to be very patient in that process. Ultimately it is about caring, about how we are together in this, how it is one big community, we are really trying to help our fellow people"*  
(interview with Esso Highlands Limited, 3 June 2011).

## 7.0 The view from Hiri District Government

Hiri District Government officials expressed concerns over the sustainability of some of the initiatives related to the PNG LNG Project. For example, after the construction phase, the numbers of employed people will be scaled down. Who will be responsible for community support after the PNG LNG Project is constructed: the Central Province Government or the developer?

*“Where is our part and their part in dealing with the people on the ground?”* asked government officials, adding *“our services have been overlooked, the villagers now tell us don’t worry, the LNG [Project] will look after us”* (interview with Hiri District Government, 26 May 2011).

A link was drawn between this question and the way in which the benefit-sharing agreements were negotiated. The Central Province Government was not part of these negotiations. If it had been, the five-year development plan of the Hiri District Government may have been integrated, as the administration had hoped the PNG LNG Project would be a major funding source (interview with Hiri District Government, 26 May 2011).

Concern was also expressed about the number of teachers that had stopped teaching to start work for the PNG LNG Project. In addition, they pointed to the social problems they believed would follow:

*“When the money increases so does alcohol consumption. Others will not have money, like students, single mothers. They will be looking for some of that money. There already is much lawlessness in Porebada and Boera, and the young people will be the main offenders. There is also evidence of the influx of foreigners into the area, whose customs are very different”* (interview with Hiri District Government, 2 June 2011).

## 8.0 What we heard in the communities

This section reflects what we heard in the communities when the listening teams asked people about their views of the positive and negative impacts or changes resulting from the PNG LNG Project. These views are organised thematically and illustrated through various examples to reflect, as much as possible, the way in which people spoke about these matters.

Employment at the PNG LNG plant site was seen as a major impact in that it brought many positive changes to the community. However, people also raised questions about training and employment, the income employment generates, and the changes it is seen to bring to community life. Other impacts mentioned related to the environment, outsiders coming into the communities, land issues and the distribution of monetary benefits. Promises and expectations were also important concerns raised by many people.

### 8.1 Employment and training

Employment and training provided through the PNG LNG Project were the main positive impacts mentioned by many people, in particular in terms of the changes in income that have resulted.

*“Before, there was a lack of finance. After grade ten people stayed in the village. Now there is labour, changes in income.”* - Man from Lea Lea

*“I am happy of the development taking place because of the young men and young women who were not working are already working and earning money to feed their parents and members in the family with the money they are getting every pay day.”* - Young woman from Boera

*The LNG Project has provided training through its training provider POMCTF, to train community young men and women for jobs in the project site.* - Women from Lea Lea

Some women also mentioned the free medical examinations that are conducted before workers are hired as a positive impact, as they exposed *“sickness hidden on the inside”*. Other people mentioned the local business opportunities as a result of the plant site construction work, for example in transport.

However, people also expressed a number of concerns related to employment and training, and the way some PNG LNG Project employees are using the money they earn:

*The young men who are being employed are not using their wages in the right manner. They get drunk every weekend from Friday to Sunday night, even Monday morning.* - Young women from Boera

Others expressed doubts or were not clear about the recruitment practices being used to employ people from the villages:

*“No good feedback from the Laba company in relation to employment of Boera youths. Not sure whether recruitment is done in a correct and proper manner. Priority must be given to the landowners.”* - Woman from Boera

*People from the outside are employed both as labourers and highly skilled people. Most of our high skilled labourers are still unemployed. Foreigners are taking the high skilled positions.* - Men from Lea Lea

*Why are we deprived of our rights to employment? What are the criteria used?* - Young men from Porebada

*“The selection is biased: no one in my family is working.”*  
- Woman from Porebada

Concerns were also expressed about the salaries being paid and working conditions:

*“The workers are underpaid; just like any ordinary workman in town, while the [PNG] LNG [Project] is the biggest in the country.”* - Man from Lea Lea

*The wage rate for the unskilled labourers is not fair compared to the workload they are doing on the work site.*  
- Women from Boera

*“The youth that are working complain about the hard work and the salary, they work seven days per week in construction and general labour. Their contracts are with the contractor companies but they are being paid by Laba [Holdings]. When they first started work they got paid 800/900 [kina], now they get only 400 [kina]. The rates between the trainees that later work and those that are hired directly are different. People think this is because the money for the trainees goes through Laba and they get less. Why are they contracted to other companies but Laba pays them? The employees have already been on strike two or three times because of these issues.”*  
- Young man from Lea Lea

*“The outsiders coming into the PNG LNG Project are allowed in the mess. We [as employees] are not allowed in the mess. Our lunches are given in the open places.”*  
- Man from Porebada

Some people also noted how the work was affecting their family life:

*Employees depart very early in the morning for work and come home late. Quality family life not there now.*  
- Women from Papa

*“At the end of the day I am so tired, I feel worn out. I don't have time with my children. But the wages, it doesn't match the work I am doing.”* - Man from Porebada

Many people noted that employment in construction on the PNG LNG plant site was only temporary, and expressed concern about the future:

*The employment is good, but only for two or three years during the construction phase. Then these men will come back and sit in the village without anything to do while the project is right on our land.* - Men from Lea Lea

*They should provide training on trades to enable them to have future employment.* - Women from Porebada

## 8.0 What we heard in the communities *Cont.*

*The training is only for six weeks, it is not enough and only in safety. There is some carpentry, but it is too short. We want them to be professional carpenters, to gain a certificate so they can work elsewhere afterwards.* - Men from Lea Lea

### 8.2 Changes in livelihoods and community life

People pointed to the positive consequences of there being more money in the village, in particular for community fundraising activities.

*“We are making more fundraising money from workers from the LNG Project.”* - Woman from Lea Lea

*This LNG Project has improved the living style/standard in the village setting.* - Young women from Boera

*The LNG Project has provided employment opportunities and they are now earning money to assist the community by giving back in church activities and community fundraising.*  
- Women from Lea Lea

But there were also concerns. One of these was related to people swapping their roles within the community for work at the plant site:

*There are no teachers at schools as most of them have been employed by the project, which has resulted in the school being closed in the village.* - Men and women from Papa

*Law and order is not carried out properly/correctly due to the experienced ones being engaged by the PNG LNG Project.*  
- Women from Porebada

Another concern, in particular in the villages of Lea Lea and Papa that are further away from Port Moresby, was the limited transport options:

*PMV owners leased their vehicles to the project and so the community is having transport difficulties in and out of the village. Due to this problem the population is missing out on education and income-earning opportunities.*  
- Women and men from Papa

Less tangible were the concerns expressed about the changes to people’s lifestyles in the community, coupled with the concern that traditions might be lost:

*“Sometimes I think it is better we do not have this LNG thing and [instead] like before the marine life and the tradition. Our inheritance will all [be] gone before we realise it, we’ll be crying over spilt milk.”* - Man from Boera

*“We don’t want to change the lifestyle, we want to maintain our culture.”* - Woman from Lea Lea

*No more gardening, no more hunting. Young generation will not know the traditional and cultural skills and the methods of hunting and gardening.* - Women from Porebada

*“Changing lifestyle of the younger generation. They are no longer under the control of elders and parents.”*  
- Woman from Boera

People mentioned especially the changes to livelihoods related to fishing, gardening and hunting:

*“For our livelihood, we rely on the environment: the mangroves, our fish, mud crabs, posts [for building houses and fencing]. The project has taken that away from us. They are establishing a buffer around our main fishing grounds. We lose economically. They are going to compensate us by providing employment, but only for a while.”* - Man from Boera

*Hunting and gardening grounds are used and eventually will use up the land. Gardens are covered with dust and unhealthy and unbearable to work in.*  
- Men and women from Porebada

*“We are not saying it is bad. To be frank, it has brought a lot of good things — employment generation, developing agriculture. People can sell their fish right here because the young people that are working are buying the fish here.”*  
- Man from Lea Lea

*“PNG LNG community development officers are trying to help — we have sub-committees that have been formed on law and order, health, agriculture. They help with agricultural knowledge on fishing, health, organising toilets. There are 11 groups in total; the councillor is trying to get people together. The question is how to find funding, and the friction is still there — people are not working together.”* - Woman from Lea Lea

According to some, the PNG LNG Project and its associated processes of organisations and structures have created divisions in the community, or exacerbated existing disagreements:

*“Because of the PNG LNG Project some of the clans or even families have broken up. They give first preference to their immediate families to be trained to work. Some are being left out — have never had any chance yet.”*  
- Young man from Porebada

*Community, families and everyone have no trust for each other because of the LNG Project.* - Young men from Papa

*“Prior to the project we were one, now there are divisions. We are trying to bring the two groups together.”*  
- Woman from Lea Lea

*“I believe there was no accurate genealogy presented therefore it has brought divisions amongst families.”*  
- Woman from Boera

### 8.3 Social issues

Many people pointed to social issues such as alcohol abuse and adultery as worrying impacts of the PNG LNG Project. As noted elsewhere, people thought too much of the money earned from PNG LNG Project employment was spent on alcohol:

*“The LNG Project has brought development but will also cause social problems like drinking.”* - Woman from Lea Lea

*“Happy that this project is being constructed on our own land, but it has also brought social problems to the village. Young boys and men don’t behave when under [the influence of] liquor. Women don’t feel safe when walking past them (drunkards).”*  
- Woman from Boera

*Those working at the LNG plant site have forgotten all about fishing and gardening. All they aim to do is drink up their Friday night money and bring problems into the family. They don't respect Sunday, which is a holy day. They drink Friday to Sunday. We are talking about the male workers. This spoils the spiritual life within the clans.*  
- Women from Boera

*There is a lot of alcohol now sold in the village/black market. A lot of drinking alcohol and social issues are on the rise. Girls and women are drinking alcohol.*  
- Women from Papa

Apart from alcohol abuse, people were also concerned about what may happen between men and women employed at the site:

*Previously village life was proper, good, but now there are social problems. There is adultery at the site. Back at the village, drug and alcohol, but the adultery is the worst problem, problems in broken marriages. Not much is done to tackle this.* - Women from Lea Lea

Others spoke about the impacts on the spiritual life of people in the village, particularly because many PNG LNG Project employees work seven days per week:

*Six days employment and seventh/Sunday should be respected and kept for worship day. No worship, no spiritual unity.* - Men and women from Papa

*We are not happy when our children are working on Sundays — that is time for church.* - Women from Lea Lea

#### 8.4 Outsiders coming in

People also expressed concern over the influx of outsiders:

*Outsiders coming in renting shops in the village. Liquor sold 24 hours. Making business in the village.*  
- Women from Porebada

*On the weekend outsiders they come in with flashy cars — we are concerned about our daughters. They bring alcohol and come to buy land or make business ventures. They come because of the PNG LNG Project.*  
- Women from Lea Lea

#### 8.5 Environmental issues

The environmental impacts people talked about in particular were those they were unsure about:

*"The project is planning to use desalination, but there is water nearby that they could use. What happens to the salt that is left over?"* - Man from Lea Lea

*"The pipeline may cause the sand to rise especially in areas where construction is done. The awareness on environmental issues on pipeline is not true."*  
- Man from Boera

*"[The PNG] LNG [Project] should make a sea wall to stop the rising of the sea level going to be caused by the gas tankers in future."* - Man from Lea Lea

*"Due to construction of the road there is a lot of dust which causes heavy downfall of dust which affects the growth and bearing — bananas, mangoes and paw paws. Gardens are covered by dust; every time we go to find our gardens polluted."* - Woman from Porebada

#### 8.6 Promises and expectations

Many people spoke about promises that were made early on in the development of the PNG LNG Project, before work started, that had not been kept.

*"Improvement in living standards — health and education, infrastructure, water supply system and sanitation — all in agreement but planned activities are not properly carried out. Transparency and accountability must be exercised by all who are in positions of power to ensure that these things eventuate."* - Man from Boera

*"They would train young men and women in certain fields so when the work is over with [the PNG] LNG [Project] they would be able to find jobs elsewhere, but they are being trained only in safety."* - Young man from Porebada

*ExxonMobil raised awareness with people in the village on the building of schools, health (aid post), water supply. Empty promises.* - Women from Papa

*"A lot has been said and agreed about how the project will affect these infrastructures but we are yet to see things materialising — school, health centre, church and road."*  
- Man from Boera

*According to their road shows the priority will be given to the four impacted villages, however, there are more outsiders employed than us.* - Young men from Lea Lea

*"Progress is very slow. I don't know why. We are not happy. It is already the third year. In two years time the construction phase will be completed and the MoA agreement is not honoured yet."* - Man from Boera

#### 8.7 Monetary benefit distribution

People expressed a lot of confusion and frustration around the distribution of benefit monies. At the moment, the main funds to be distributed are seed capital (business development grants) that have been promised by government. The main concern was about "middle men" in the distribution chain.

*"I am still waiting for the seed money which is already in the hand of the leaders. I want to start up a small poultry business."* - Woman from Boera

*The explanation on the 3.4 million kina seed capital is yet to be made. Everything about the seed capital has been kept in the dark by those that had access to the funds and it has been used or spent unnecessarily instead of using it on sustainable businesses. This has created a lot of confusion as to what this money was meant for, or what seed capital is all about.* - Women from Papa

## 8.0 What we heard in the communities *Cont.*

*“The village leaders are not being honest with the people. Their interest is on the money only, and how will they handle it. We are still waiting for the spin-off money. Where is it? Who’s going to give us the money to kick-start out business on poultry and piggery and fishing?”* - Man from Boera

*“When we talk to ExxonMobil, they say the money is with government, and that they should supply these services. And it is true, it should be government.”* - Man from Lea Lea

*Seed money was promised but not given.*  
- Women from Porebada

*“There shouldn’t be a middle man. [The] ILG [incorporated land group] should deal directly with the contractor or developer. The middle man in our case is our holding company. They are the ones who are messing up everything.”* - Man from Boera

*“ExxonMobil should give the money to us, instead of giving it to government. We are the impacted villages. The developers should direct the money to the community instead of to government.”* - Man from Lea Lea

### 8.8 Land issues

Two distinct land issues were brought up in conversation. Firstly, the dispute over the lease of Portion 152 (see Section 2) and secondly, young men in Porebada talked about the land-related violence that caused four deaths in January 2010.

*“Land is being used without any proper consultation in the villages — this is a slap in the face.”* - Man from Lea Lea

*Land was sold when the PNG LNG Project came in and some clan members are fighting over the issue. The matter is also at formal court.* - Men and women from Papa

*LNG Project has caused four deaths in Porebada due to land disputes. Now Porebada and Boera villagers do not mix well like they used to. The once good relationship is broken. Children lost their good friends from Boera because of the LNG Project because after what happened they are not going to school in Porebada anymore.* - Young men from Porebada

## 9.0 Workshop discussions

Two workshops were held to discuss the themes that emerged from the LNG Impact Listening Project. The first brought together key stakeholders in the PNG LNG Project for a day of discussions: the Listening Project partners, the developer and the Hiri District Government. A representative from Oil Search Limited also attended the workshop. The second workshop brought together the LNG Impact Listening Project partners with a broader group of civil society organisations to discuss potential ways forward.

### 9.1 Stakeholder workshop

The discussions at the workshop were very constructive.

**Participants discussed each of the themes by reflecting on three questions:**

- What are the perceptions and expectations related to this impact?
- Who could play a role in addressing this impact?
- What are the challenges in trying to address this impact?

All participants openly shared their experiences and points of view and suggested ways to address some of the impacts. A key issue that emerged in discussions was the challenge for information related to impacts to be communicated effectively to the people in the communities. Challenges to communication were identified both at the sender's and receiver's end. It was also said that better communication is important, but should not be a substitute for problem-solving.

It was agreed that the PNG LNG Project is having both positive and negative impacts on the four communities. It was also agreed that these changes are taking place in a broader context of change in Papua New Guinea. In some cases positive opportunities resulting from the PNG LNG Project were having unintended negative side effects. Within the broader picture of change, different stakeholders have different responsibilities to address some of the issues raised as impacts of the PNG LNG Project. Workshop participants also discussed the role of government in this respect.

The developer noted how some of these issues were being addressed through existing processes. The developer also agreed to take away some issues and raise them internally in Esso Highlands Limited and with its sub-contractors, with a view to addressing such concerns. Other stakeholders also agreed to investigate how some of the issues raised can be best addressed and who could play a role in this. Throughout the workshop, stakeholders said that many of the changes being experienced can only be addressed by community members themselves, and that community members and their leaders can offer many solutions. It was agreed that greater clarity of stakeholder roles and responsibilities would be helpful, and that we should all try to take a long-term view of the PNG LNG Project and plan to avoid future negative impacts. There is much that can be learnt from other resource extraction projects in Papua New Guinea.

### 9.2 Civil society workshop

A second workshop brought together the LNG Impact Listening Project partners with other civil society organisations that were working in the four villages or were interested in the outcomes of the project. Some organisations noted how they had come across some of the issues raised by the project through their work in these communities.

Workshop participants discussed how they might be able to work with communities to address some of the impacts of the PNG LNG Project as well as broader development challenges. They noted the usefulness of sharing information about their various activities in the communities, and resolved to continue to meet regularly to discuss their work and coordinate where possible, and continue to engage with the developer and government.

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(1)  
“Listening Project” is a term that was coined by the US-based non-government organisation CDA Collaborative Learning Projects. Between 2005 and 2009, CDA worked with civil society organisations in 20 countries to listen to people’s views about the cumulative impacts of development assistance. The project described in this report draws on CDA’s Listening Project’s methodology, but is unrelated.

(2)  
Youth are defined as people aged 18–25.

(3)  
Oxfam’s Youth Action Partners (YAPs) are young people recruited as part of the global Oxfam International Youth Program. There are currently 15 YAPs based in Port Moresby who are supported by Oxfam Port Moresby’s youth program from 2011 to 2013.

[www.oxfam.org.au](http://www.oxfam.org.au)