

Social context: gas fields, onshore pipeline and LNG plant

Upstream overview

The upstream activities of the PNG LNG project (comprising the gas fields, facilities and onshore pipeline) are located in some of the most remote parts of PNG. This region supports a population which operates a subsistence economy based on slash and burn agriculture and hunting, gathering and fishing.

Notwithstanding this relative seclusion, the people have firsthand knowledge of the petroleum industry, including facilities and pipelines, because of existing oil field operations in the region.

Culture

- Those living within the project location have a diverse socio-cultural character. Social organization is based on patrilineal descent which determines relationships of people to people, people to land, and people to spiritual beliefs.
- The most important feature of PNG society is the importance of small clans and their customary ownership control of land.



Infrastructure

- Roads link the Hides and Kutubu areas to the populated parts of Southern Highlands Province. There is a new public road from Kikori to Kopi to Samberigi and then to Southern Highlands via Erave – otherwise roads are absent.
- Public health services are generally not readily available unless supported by existing petroleum producers.
- Public education is under-staffed and under resourced with literacy averaging 50% for males and 40% for females.
- Petroleum producers in Kutubu and Hides contribute to community health clinics and provide sponsorship support for education.



Economics and Government

- The principal sources of cash income are wages and royalties from existing petroleum developments and, to a lesser extent, from commercial logging in the gulf lowlands.
- The PNG LNG project will increase the level of benefits and extend the positive impacts to many of other landowners in the project area.
- The negotiation of project benefits between levels of government and landowners is mandated by legislation and outlined by a formal and structured process.

LNG facilities overview

- The LNG facility site and the four nearest main villages of Lea Lea, Porebada, Boera and Papa have a population of approximately 20,000.
- The people of the villages are heavily dependant on the sea. The principal subsistence and economic activity is fishing.
- The PNG Government intends to create the Konebada Petroleum Park to assist with developments related to PNG's natural gas business opportunities.
- The lack of a reliable and safe water supply and poor sanitation are key issues for the four villages. Health services also face similar challenges.
- The attitude of the local population is positive toward the project. Nearly 95% of the local population support the project.

Further information

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Infrastructure near the LNG facility

- The lack of reliable and safe water supplies and food sanitation are the principal infrastructure issues for all four villages.
- Health aid posts at Papa and Boera and a hospital at Port Moresby provide the majority of the localised health care.
- Primary and elementary schools exist in all four villages and there is a secondary (high-school) school in Porebada. As in other areas, parents favour the education of boys over girls.
- The local area is well serviced by roads and there is a police station at the junction of the road to Caution Bay.
- The local landowners near the LNG facility site continue to be supportive of the project and have expectations of improved infrastructure, employment and business opportunities.

Project-wide social issues

The most important element of the social challenges relate to people's ability to adapt their cultural, political and economic situations to new development.

The key high level challenges include:

- The fractionalised multi-ethnic composition of the population.
- The need for improvement in business ethics understanding and contract sanctity.
- Improved delivery of services by Government.
- Increased transparency and prudent financial management.
- Increasing the sustainability of development of local business through capacity building and workforce development.

The project's EIS and SIA have laid out a schedule of mitigation measures that need to be met. These include the responsibilities of all parties, including the project, the various levels of Government and the communities themselves.

