

## 9. STAKEHOLDER ENGAGEMENT

This chapter describes the program of stakeholder engagement for the PNG LNG Project. It includes an overview of the consultation approach (Section 9.1, Overview), an outline of the regulatory requirements for public consultation and international standards and operator policies guiding stakeholder engagement (Section 9.2, Consultation Requirements), a listing of project stakeholders to date (Section 9.3, Stakeholders), a description of the program for stakeholder engagement (Section 9.4, Stakeholder Engagement Program), a summary of the consultation schedule (Section 9.5, EIS and Related Activities Stakeholder Engagement Schedule), a description of stakeholder engagement documentation (Section 9.6, Documentation of Stakeholder Engagement), a review of consultation outcomes for the EIS (Section 9.7, Consultation Topics and Feedback to Date) and an outline of planning priorities for continuing stakeholder engagement throughout the construction and operation phases of the project (Section 9.8, Continuing Stakeholder Engagement).

### 9.1 Overview

A key component of the PNG LNG Project is an effective, ongoing communications program involving the operator, national and provincial governments, local communities, landowners, non-government organisations (NGOs), and other interested stakeholders. Stakeholder engagement refers to the activities undertaken by the operator involving this collective group of people.

The program for stakeholder engagement has been developed to comply with regulatory requirements of the project and the objectives of the participants (operator and co-venturers). It builds on the consultation foundations that have been established during past oil and gas exploration activities and operations in the area, and previously proposed gas projects i.e., the PNG Gas Project 1998 (NSR, 1998a) and 2005 (Enesar, 2005). Many past EIS studies from the PNG Gas Project involving consultation with stakeholders are relevant and provide a base for the current stakeholder engagement program for this project.

The stakeholder engagement program has involved extensive interactions with a number of stakeholder groups using approaches designed to suit each group. Information about the project has been presented to stakeholders on a wider scale via the project roadshows. There has been ongoing regular consultation with the state government departments along with formal and informal discussions with NGOs and industry related groups on particular issues. Information about the project has been presented to local communities through the PNG LNG Project Awareness Program. Local opinions and issues have been sought through roadshows specifically undertaken for the EIS process, formal and informal meetings with village leaders, and some 6,500 household surveys conducted between 1998 and 2008 within the project area. Archaeological studies associated with the EIS and social impact assessment (SIA) have included consultations with landowners.

### 9.2 Consultation Requirements

#### 9.2.1 PNG *Environment Act 2000*

Public consultation is recognised as part of the state's environmental impact assessment process under the PNG *Environment Act 2000*. Guideline notes from the state's Department of Environment and Conservation (DEC, 2004) state that the executive summary for the EIS should provide 'details of the consultation program undertaken by the applicant, including the degree of

public interest'. The guidelines also specify that the environmental management and reporting section (Chapter 30, Environmental Management, Monitoring and Reporting) of the EIS should include the 'mechanism and frequency for reporting monitoring results to DEC and other stakeholders, especially to directly affected stakeholder groups.'

Under s. 55 of the act, the Director shall make the EIS available for public review following a preliminary assessment period. During this period of review, the proponent may be required to make public presentations or submit a program of public review. Stakeholder responses to the review are addressed as part of the final decision on the EIS.

### **9.2.2 PNG Oil and Gas Act 1998**

The PNG LNG Project requires three types of licences under the PNG *Oil and Gas Act 1998*. Applications for these licences must include detailed information about the project, including social and environmental implications.

Under s. 48 of the act, a process of consultation must be undertaken by the state in a development forum prior to the first licence being granted. The purpose of the forum is for the state, project landowners and affected local-level and provincial governments to reach an agreement on matters such as state equity entitlement and project benefits.

Consultation is also required under s. 48 of the act for the development of social mapping, landowner identification and the social impact assessment process. These processes are essential for the convening of the development forum (see Chapter 23, Project-wide Socio-economic and Cultural Impacts and Mitigation Measures).

### **9.2.3 International Standards**

The Equator Principles outline environmental and social criteria and guidelines for financing of projects and have been used by the project as a guide on international standards for stakeholder engagement (see Section 8.3.2, Equator Principles).

Principle 5 specifies the main consultation and disclosure of information requirements. It identifies the need for the government, borrower or third party for the project to consult 'with project affected communities in a structured and culturally appropriate way' (EPFI, 2006). This includes the preparation of a consultation and disclosure plan. Principle 5 also states that consultation should be 'free' (free from external manipulation, interference or coercion, and intimidation), 'prior' (timely disclosure of information) and 'informed' (relevant, understandable and accessible information), and apply to the entire project process. The consultation is to be tailored to meet the needs of the affected communities in terms of language, decision-making processes and the specific needs of disadvantaged or vulnerable groups (EPFI, 2006).

Principle 5 is also cross-referenced to requirements for consultation with indigenous people, and that project documentation, or non-technical summaries thereof, is to be made available to the public. The process and results of this consultation are to be documented.

Principle 3 requires compliance with International Finance Corporation's Performance Standards and Environmental Health and Safety Guidelines (IFC, 2006a; IFC, 2007b, c, d, e, f, g, h). The IFC standards identify stakeholder consultation requirements.

Principle 6 requires the project to establish a grievance mechanism in order to address concerns from project-affected communities promptly and transparently, and in a culturally appropriate manner (see Section 9.8.2, Grievance Mechanism).

The consultation undertaken by the operator to support the project EIS and broader FEED and commercial aspects of the project to date align with IFC Performance Standards for a project at this stage in development planning. These consultation activities will be expanded as the project moves into detailed design and construction and operations. These future consultation activities will be implemented under a Public Consultation and Disclosure Plan described in Section 9.8, Continuing Stakeholder Engagement.

#### **9.2.4 Operator Policies**

Esso is committed to conducting its business in a manner that protects the environmental and economic needs of the communities in which it operates. This is apparent in the parent company's (ExxonMobil's) safety, health, environmental, product safety and security policies, which are put into practice through a disciplined management framework called the Operations Integrity Management System (OIMS) (refer to Chapter 30, Environmental Management, Monitoring and Reporting).

Element 10 of OIMS, entitled Community Awareness and Emergency Preparedness, makes specific reference to public consultation and disclosure. Community awareness is recognised as a key factor in maintaining public confidence in the integrity of operations. 'Community expectations and concerns about our operations, including those of the workforce, are (to be) recognised and addressed in a timely manner' (ExxonMobil, 2004).

ExxonMobil policies relevant to public consultation include:

- Environment policy, which includes the specific requirement to communicate with the public on environmental matters and share its experience with others to facilitate improvements in industry performance.
- ExxonMobil best practices in external affairs (ExxonMobil, 2007). This initiative includes the following guiding principles:
  - Workforce Involvement: Provide opportunities to create mutual understanding and respect through involvement in the community.
  - Communication: Engage a variety of audiences on an ongoing basis in open, forthright and proactive dialog.
  - Community Relations: Focus and create realistic expectations by consulting communities in the design and implementation of external affairs programs.
  - Government: Engage regularly with opinion formers and government officials to build relationships and gain insights and promote the corporation's interest.
  - Continuous Improvement: Review external affairs activities annually to maximise their effectiveness.

### **9.3 Stakeholders**

A comprehensive list of stakeholders has been developed and grouped into broad categories reflecting differing interests in relation to the project:

- PNG Government:
  - Department of Community Development.
  - Department of Environment and Conservation.

- Department of Finance and Treasury.
- Department of Foreign Affairs and Immigration.
- Department of Labour and Industrial Relations.
- Department of Lands and Physical Planning.
- Department of National Planning and Monitoring.
- Department of Personnel Management.
- Department of Petroleum and Energy.
- Department of Provincial and Local Level Government.
- Department of Public Enterprise.
- Department of Trade and Industry.
- Expenditure Implementation Committee.
- Ministerial Committee on the PNG LNG Project.
- National Fisheries Authority.
- PNG Forest Authority.
- Prime Minister's Department.
- State Solicitor's Office.
- Provincial and local governments:
  - Southern Highlands Province.
  - Western Province.
  - Gulf Province.
  - Central Province.
  - Local-level government (LLG).
- Mineral Resources Development Company.
- Local communities along the proposed pipeline route and in the vicinity of the proposed project facilities (villages within the project area are described in Section 9.7.3, Land Owner and Local Communities).
- Research organisations:
  - PNG National Museum and Art Gallery.
  - University of Papua New Guinea.
  - International research agencies conducting research in PNG.
- NGOs including:
  - World Wildlife Fund South Pacific.
  - The Nature Conservancy, Pacific Island Countries Program.
  - Conservation International.
  - Community Development Initiative (CDI).
  - PEACE Foundation Melanesia.
  - Centre for Environmental Law and Community Rights.
  - Environmental Law Centre.
  - Sporting organisations.
  - Oxfam International.
  - Business against HIV/AIDS.
  - Faith-based, project-area NGOs (e.g., PNG Chamber of Churches, Evangelical Church of Papua and Catholic, Wesleyan and Seventh Day Adventist churches).

- Industry groups, including:
  - Forestry industry (PNG Forest Research Institute, log export monitors, forestry industry groups).
  - Fishing industry (fishing industry groups, fishing companies).
  - PNG Chamber of Mines and Petroleum.
  - Other industry groups, e.g., Coffee Industry Corporation.
- Others, e.g., employees, contractors, financiers, insurers, shareholders associated with co-venturer companies, Internal Revenue Commission, Bank of Papua New Guinea.

The list of stakeholders is as of December 2008. It will continue to evolve throughout the life of the project.

## **9.4 Stakeholder Engagement Program**

An ongoing stakeholder engagement program, involving the operator and all of the stakeholders identified in Section 9.3, Stakeholders, has been developed to satisfy the requirements of the EIS and oil and gas licences. The program is supported particularly by extensive surveys undertaken for the socio-economic impact assessment (including archaeology and cultural heritage) for the project, as well as other relevant studies that have included community surveys. It also builds on the foundations established from previous oil and gas explorations and operations in the area and the previously proposed PNG Gas Project. The program has been overseen by the project's Land and Community Affairs team (see Section 9.4.4.1 Esso's Land and Community Affairs Team).

### **9.4.1 History**

Stakeholder engagement on oil and gas proposals within and around the project area has been evolving since the 1990s (see Section 1.1.2, Prior Petroleum Developments and Proposals). The PNG Gas Project was proposed in 1995. During the late 1990s, Chevron Niugini (a subsidiary of Chevron Corporation and operator of the PNG Gas Project at this time) carried out environmental, social and feasibility studies and public consultations, including social surveys, which led to the presentation of the PNG Gas Project Environmental Plan (NSR, 1998a) in Mendi, Moro, Gobe, Kikori, Kerema and Port Moresby. The Office of Environment and Conservation (now DEC) undertook its own public consultation related to this project at these locations to receive feedback from communities in the proposed project area.

The 2005 ExxonMobil PNG Gas Project continued to build on this history of stakeholder consultation with the development of a consultation and disclosure program as part of the project's environmental impact assessment. The program used both formal and informal methods to disseminate information on and solicit comments from stakeholders regarding the project. Details of this program are provided in PNG Gas Project Environmental Impact Statement, December 2005 (Enesar, 2005).

This history of consultation has allowed for community familiarity with oil and gas projects and the establishment of relationships between oil and gas operators and stakeholders within Papua New Guinea. While there are new areas of stakeholder engagement in the Juha area (Western Province) and around the site of the LNG Facilities (Central Province), many people in the Southern Highlands and Gulf provinces are familiar with the concept of a gas pipeline from Hides to Omati. Consultation as part of many of the studies for the PNG Gas Project in particular remains relevant for the PNG LNG Project and provides a base for the current stakeholder engagement program.

## 9.4.2 Program Goals of the EIS Stakeholder Engagement

The goals of the stakeholder engagement program are to:

- Improve project awareness among stakeholders. This reduces the potential for stakeholder disaffection that can result from a misunderstanding of the project and, particularly for local communities, either a real or perceived exclusion from the environmental impact assessment process.
- Ensure relevant government departments and local communities are properly informed about the PNG LNG Project and that there is a structure for these stakeholders to input into the EIS process (including proposed management actions) and express any issues, difficulties or concerns they may have.
- Reduce disruption to the EIS process so as to deliver an endorsement as quickly as possible in a manner that is both consistent with the operator's corporate goals, and maintains public confidence in the approvals process and the viability of the project.
- Ensure consideration (where appropriate) of the concerns and interests of other stakeholders such as financiers and insurers.
- Ensure regulatory requirements are being met.
- Provide the groundwork for:
  - Final presentation of the EIS and its appendices.
  - Ongoing consultation throughout project construction, operation and closure.

## 9.4.3 Approach and Methods of the EIS Stakeholder Engagement

As all stakeholders are unique in interest and understanding of the project, how they are affected by the project and their literacy level, different methods of communication have been adopted to ensure adequate engagement. Table 9.1 describes these methods.

**Table 9.1 Methods of stakeholder consultation**

Stakeholder	Method
Department of Environment and Conservation (DEC)	<ul style="list-style-type: none"><li>• Monthly EIS progress meetings incorporating workshops later in the EIS process to discuss the results of specialist studies.</li><li>• Regular individual contact via telephone and fax between department personnel and Esso and their consultants.</li><li>• Roadshows (Plate 9.1).</li></ul>
Department of Petroleum and Energy (DPE)	<ul style="list-style-type: none"><li>• Regular monthly meetings to inform DPE of licensing progress, consultation, social mapping and landowner identification studies, and social impact assessment activities and developments as per requirements of the Oil and Gas Act.</li><li>• Regular contact with relevant personnel via telephone, emails and fax.</li><li>• EIS information briefings.</li><li>• Roadshows.</li></ul>

**Table 9.1 Methods of stakeholder consultation (cont'd)**

<b>Stakeholder</b>	<b>Method</b>
Department Land and Physical Planning (DLPP)	<ul style="list-style-type: none"> <li>• Regular monthly meetings to inform DLPP of land access progress, consultation, social mapping and landowner identification studies, and social impact assessment activities and developments as per requirements of the Physical Planning Act.</li> <li>• Regular contact with relevant personnel via telephone, emails and fax.</li> </ul>
Ministerial Gas Committee	<ul style="list-style-type: none"> <li>• Meetings as scheduled or requested by the committee to discuss project progress.</li> <li>• Maintain contact with relevant personnel via telephone, emails and fax.</li> </ul>
Provincial governments and other government departments	<ul style="list-style-type: none"> <li>• Meetings to provide information on project progress and to discuss any queries or concerns.</li> <li>• Focused meetings for the EIS to obtain information for assessment studies (i.e., National Fisheries Authority, PNG Forest Authority).</li> <li>• Maintain contact with relevant personnel via telephone, emails and fax.</li> <li>• Roadshows.</li> </ul>
LNG Coordination Office	<ul style="list-style-type: none"> <li>• Meetings to provide information on project progress and to discuss any queries or concerns.</li> <li>• Maintain contact with relevant personnel via telephone, emails and fax.</li> </ul>
Landowners and villagers	<ul style="list-style-type: none"> <li>• Informal briefings with village leaders when issues arise or when relevant new information becomes available.</li> <li>• Roadshows (Plates 9.2, 9.3, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9 and 9.10).</li> <li>• Regular visits by Land and Community Affairs field personnel to update villagers about project development.</li> <li>• Engaging and training village liaison officers to provide a two-way information exchange between project area communities and the Land and Community Affairs team (this will include engaging and training female village liaison officers).</li> <li>• Distribution of leaflets and brochures (in local language Pidgin and Motu) and presentations (e.g., PNG LNG Project awareness program*) at milestones in the EIS process (e.g., project awareness, draft of EIS and final EIS).</li> <li>• Household surveys for the social mapping and landowner identification studies and the social impact assessment of the Juha to Hides and LNG Facilities site areas and supplementary surveys between Hides and Omati.</li> <li>• Meetings with landowner company representatives.</li> <li>• Information through training programs to improve employment opportunities for community members in the PNG LNG Project area.</li> <li>• Consultation via meetings and presentations on resettlement and project benefits as required.</li> <li>• Media releases and public announcements on Community Development Initiatives radio (CDI FM**).</li> </ul>
NGOs	<ul style="list-style-type: none"> <li>• Initial contact by phone/letter/email/fax to determine level of interest.</li> <li>• Information briefings on the project and distribution of brochures.</li> <li>• Roadshows.</li> <li>• Monitoring and responding according to level of interest and concerns.</li> </ul>
Industry-related groups (e.g., logging and fishing)	<ul style="list-style-type: none"> <li>• Discussion with industry group representatives to identify issues of concern and to source specialist information.</li> <li>• EIS information briefings/roadshows.</li> </ul>
Research organisations	<ul style="list-style-type: none"> <li>• Consult as required to source specialist information.</li> <li>• EIS information briefings/roadshows.</li> </ul>

**Table 9.1 Methods of stakeholder consultation (cont'd)**

Stakeholder	Method
Financiers	<ul style="list-style-type: none"> <li>EIS progress meetings with financiers and joint venture partners.</li> </ul>
Individuals	<ul style="list-style-type: none"> <li>Respond as required.</li> <li>Consider the particular interests or concerns of individuals when designing public information sessions.</li> </ul>

\* Land and Community Affairs has approached stakeholder communities prior to formal communication events and studies.

\*\*CDI FM is a community-based radio station broadcasting community information throughout the Gulf and Southern Highlands provinces of Papua New Guinea.

A project-specific website exists ([www.pnglng.com](http://www.pnglng.com)) whereby all stakeholders can access information about various aspects of the project including employment opportunities, recently published reports (e.g., the PNG LNG Project Environmental Inception Report (Esso, 2007) and project commitments to safety, the environment, community consultation and community investments.

If landowners and local community members wish to raise any issues or concerns regarding the PNG LNG Project not covered above, the following avenues for communication are available:

- By a letter to the Land and Community Affairs field staff (see Section 9.4.4.1, Esso's Land and Community Affairs Team).
- Through their landowner association, which is the political mouthpiece of various project constituencies.
- Through a grievance mechanism for the project (see Section 9.8.2, Grievance Mechanism).

## **9.4.4 Community Relations Management Resources**

### **9.4.4.1 Esso's Land and Community Affairs Team**

Stakeholder consultation in the field is carried out by the Land and Community Affairs team. This team reports to the Esso Managing Director and liaises closely with the company's Public Affairs Manager.

The Land and Community Affairs Manager is responsible for all PNG LNG Project community-related field activities and managing the activities of the Land and Community Affairs team on-site.

Village liaison officers are provided on site to assist in the communications between project personnel, Oil Search Limited, which is the current oil operator, and the project area communities. These officers live locally in their communities and are fluent in the local language. Their main role is to disseminate information about petroleum operations to the community and to represent the Land and Community Affairs team in the field. Village liaison officers are usually the first point of contact for landowners and community members wishing to raise an issue concerning the project or existing operations. They also accompany specialist project consultants (e.g., archaeologists) as they visit project area communities.



**Plate 9.1**  
Project Awareness and Environmental  
Inception Report Roadshow presentation  
to DEC and other government officials  
(November 2007)



**Plate 9.2**  
Lea Lea Project Awareness and Environmental  
Inception Report Roadshow presentation  
(November 2007)



**Plate 9.3**  
Kaiam Project Awareness and Environmental  
Inception Report Roadshow presentation  
(November 2007)





**Plate 9.4**  
Goare Project Awareness and  
Environmental Inception Report Roadshow  
presentation (November 2007)



**Plate 9.5**  
Papa Project Awareness and Environmental  
Inception Report Roadshow presentation  
(November 2007)



**Plate 9.6**  
Juni Project Awareness and Environmental  
Inception Report Roadshow presentation  
(November 2007)



**Plate 9.7**  
Idauwi Project Awareness and Environmental  
Inception Report Roadshow presentation  
(November 2007)



**Plate 9.8**  
Kikori Project Community Awareness and  
Mitigation Roadshow presentation  
(November 2008)



**Plate 9.9**  
Boera Project Community Awareness and  
Mitigation Roadshow presentation  
(November 2008)





**Plate 9.10**  
Yarale Project Community Awareness and  
Mitigation Roadshow presentation  
(November 2008)

The Land and Community Affairs team is responsible for ensuring that Esso personnel and contractors working in the project area undertake a cultural induction. The induction includes advice and procedures for interaction with local stakeholders to maintain good relationships with them.

The Land and Community Affairs team is also responsible for the land access compensation process.

#### 9.4.4.2 Specialist Consultants

Specialist consultants involved in the EIS process have participated in the delivery of technical information to stakeholders. They have been involved in stakeholder forums, as required, at:

- Regular monthly meetings with DEC and other agencies on matters related to the EIS process and specialist technical studies.
- Presentations to DEC and DPE on consultation programs and social issues.
- Information briefings to NGOs and industry groups as required.

In certain circumstances, consultants have worked closely with stakeholders to complete their specialist studies (e.g., the cultural heritage and archaeological impact assessment).

## 9.5 EIS and Related Activities Stakeholder Engagement Schedule

For the EIS and related project approvals and planning activities, stakeholder engagement has:

- Maintained continual dissemination of project information to afford stakeholders regular opportunity to communicate issues and concerns during the EIS process.
- Scheduled key consultation activities to coincide with EIS program milestones to allow timely capture of issues into the project design and planning process.

Table 9.2 identifies the schedule of consultation activities during EIS preparation and approvals.

**Table 9.2 EIS consultation schedule**

Date	Milestone	Consultation
March to November 2007	Notice of intent and Environment Inception Report (EIR)	<ul style="list-style-type: none"> <li>• Project briefing and land access for assessing the LNG Facilities site.</li> <li>• Submission of the notice of intent to undertake an environmental impact assessment.</li> <li>• Presentation of the draft EIR.</li> <li>• Presentation of the draft terms of reference for the social mapping and landowner identification studies.</li> <li>• Presentation of the reconnaissance trip findings, studies plan and consultation program.</li> <li>• Presentation of the final draft EIR and consultation activity plans.</li> <li>• Consultation on draft EIR including DEC comments.</li> <li>• Initial Community Awareness Program by Esso Land and Community Affairs.</li> <li>• Project Awareness and Environment Inception Report Roadshow (2007) to 34 villages in the overall project area.</li> </ul>

**Table 9.2 EIS consultation schedule (cont'd)**

Date	Milestone	Consultation
December 2007 to December 2008	Draft EIS	<ul style="list-style-type: none"> <li>• Social mapping and landowner identification studies.</li> <li>• Household surveys.</li> <li>• Cultural heritage studies including interviews with local community members.</li> <li>• Fisheries and commercial shipping studies including landowner interviews and discussions with the National Fisheries Authority and PNG Ports Corporation.</li> <li>• Forest industry studies including landowner interviews.</li> <li>• DEC presentation of EIS and SIA studies and findings.</li> <li>• DPE meetings on project licensing and progress of EIA and SIA studies.</li> <li>• DLPP meetings on land leasing</li> <li>• Ministerial Gas Committee progress meetings.</li> <li>• Project Community Awareness and Mitigation Roadshow (November to December 2008) to 34 villages in the overall project area.</li> </ul>
January to March 2009	Start of EIS assessment process	<ul style="list-style-type: none"> <li>• EIS Roadshow for input to government assessment of EIS.</li> <li>• Other consultation as required by government.</li> </ul>
	Resettlement Action Plan (RAP)	<ul style="list-style-type: none"> <li>• Public consultation and disclosure of IRP in first phase - Early Works areas.</li> <li>• Resettlement of impacted households following cut-off date announcement.</li> <li>• Second-phase IRP work from mid 2009.</li> </ul>
	National Content Plan	<ul style="list-style-type: none"> <li>• Identification of Strategic Community Investment opportunities are being driven by findings and recommendations of the SIA.</li> </ul>
Mid 2009	Approval of EIS	<ul style="list-style-type: none"> <li>• Notify project communities of EIS approvals and permit conditions.</li> </ul>

The program for continuing consultation beyond the EIS preparation and permit approvals is described in Section 9.8, Continuing Stakeholder Engagement.

## 9.6 Documentation of Stakeholder Engagement

The documentation of stakeholder engagement is an extension to that established for the PNG Gas Project. The information obtained from all forms of consultation is documented in onsite meeting notes and activity reports, consultation logs, survey sheets and as part of the EIS and SIA studies (e.g., the cultural heritage studies).

Consultation registers have been established to keep track of consultation undertaken for the EIS and to identify and address issues raised. These include the results from the Project Awareness and Environmental Inception Report Roadshow (2007) and the Project Community Awareness and Mitigation Roadshow (2008), community feedback from onsite activity reports prepared by the Land and Community Affairs team, and results from meetings with government departments, NGOs and industry groups.

The results of stakeholder engagement activities are reported back to those affected via the Land and Community Affairs team or specific project awareness programs (roadshows). The summary of results in the EIS provides stakeholders with the opportunity to see how previously raised issues during the process have been addressed, and the opportunity to comment further.

## 9.7 Consultation Topics and Feedback to Date

### 9.7.1 PNG State Government Officials

Consultation with PNG government officials and government agencies, and related key organisations has been conducted on a regular basis (monthly) and whenever requested. Formal meetings have focussed largely on the regulatory process of the EIS, as well as project awareness and information update licensing activities, land access negotiation, and project financing and economics.

Table 9.3 provides a summary of these meetings and key topics discussed.

**Table 9.3 Meetings with PNG state government officials and NGOs**

Departments/NGOs Involved	Key Items of Meetings
Department of Petroleum and Energy	<ul style="list-style-type: none"> <li>• LNG Facilities site options</li> <li>• Land access for the LNG Facilities site</li> <li>• Land issues of preferred LNG Facilities site</li> <li>• Application for EIS</li> <li>• Project economic modelling</li> <li>• Project updating and EIS studies updating</li> <li>• Fiscal negotiations</li> <li>• Licensing strategy</li> <li>• Licence requirements for PNG LNG Project</li> <li>• Timing for submitting licence applications</li> <li>• Liquid petroleum gas (LPG) review</li> <li>• LNG shipping activities</li> <li>• Review of project boundaries</li> <li>• Project deliverables</li> <li>• State deliverables</li> <li>• Early construction works program and land access</li> <li>• Licence variation requirement</li> <li>• Social mapping and landowner identification</li> </ul>
Department of Environment and Conservation (DEC)	<ul style="list-style-type: none"> <li>• Land access for the environmental and engineering studies</li> <li>• Environmental approval implications for construction early works</li> <li>• Land issues of the LNG Facilities site</li> <li>• Application for EIS</li> <li>• Timing of EIS submittal and approval in principle</li> <li>• Submitting EIR</li> <li>• Project Awareness and Environmental Inception Report</li> <li>• Roadshow planning</li> <li>• Project progress updating</li> <li>• EIS studies presentations</li> </ul>

**Table 9.3 Meetings with PNG state government officials and NGOs (cont'd)**

<b>Departments/NGOs Involved</b>	<b>Key Items of Meetings</b>
Department of Environment and Conservation (DEC) (cont'd)	<ul style="list-style-type: none"> <li>• Project Community Awareness and Mitigation Roadshow</li> <li>• Workshop on draft EIS</li> </ul>
Department of Treasury	<ul style="list-style-type: none"> <li>• Project economic modelling</li> <li>• Project updating and EIS studies updating</li> <li>• Fiscal negotiations</li> <li>• State deliverables</li> </ul>
Department of Lands and Physical Planning (DLPP)	<ul style="list-style-type: none"> <li>• Land access process for the LNG Facilities site</li> <li>• Application for EIS</li> <li>• Konebada Petroleum Park implications</li> <li>• Project updating and EIS studies updating</li> <li>• Land requirements for LNG Facilities site</li> <li>• Lease requirements for LNG Facilities site</li> <li>• Surveying of Portion 152 and proposed leases</li> <li>• Timing for lease applications</li> <li>• Planning permission and re-zoning of lease areas</li> <li>• Social mapping and landowner identification</li> <li>• Land investigation by DLPP</li> <li>• Early construction works program and land access</li> <li>• Construction of by-pass road</li> <li>• UXO clearance activities</li> </ul>
Prime Minister and Prime Minister's Office	<ul style="list-style-type: none"> <li>• Project process and negotiations</li> <li>• The state's position on project</li> <li>• Project economic modelling</li> <li>• State deliverables</li> </ul>
Provincial Governments: Governors and various district administrators (Tari and Kikori)	<ul style="list-style-type: none"> <li>• Project briefings and EIS studies and program updates to coincide with landowner roadshows</li> </ul>
Konebada Petroleum Park Authority*	<ul style="list-style-type: none"> <li>• Land access process for the LNG Facilities site</li> <li>• Konebada Petroleum Park Authority</li> <li>• Status of Konebada Petroleum Park Authority legislation</li> <li>• Project awareness and EIR</li> <li>• Land requirements for LNG Facilities site</li> <li>• Lease requirements for LNG Facilities site</li> <li>• Timing for lease applications</li> <li>• UXO clearance activities</li> <li>• Surveying – topographic and boundary</li> <li>• Social mapping and landowner identification</li> </ul>
Bank of Papua New Guinea (BPNG)	<ul style="list-style-type: none"> <li>• Project process</li> <li>• Project economic modelling</li> <li>• Fiscal negotiations</li> <li>• Discussions on banking provisions</li> </ul>
Internal Revenue Commission (IRC)	<ul style="list-style-type: none"> <li>• Fiscal negotiations</li> </ul>

Source: ExxonMobil Public Affairs Records, 2007 to 2008.

\* As the tabling of the Konebada Petroleum Park Authority Act was uncertain, the functions of the KPPA were transferred to the Department of Lands and Physical Planning in June 2008.



The US Embassy and the Australian High Commissioner met with ExxonMobil public affairs team for a project update in the early stages of the EIS process. The Konebada Petroleum Park Authority and financial institutions, such as the Bank of Papua New Guinea and International Revenue Commission, were also involved in government meetings to discuss specific issues on access and fiscal negotiations.

### 9.7.2 Research Organisations and Industry Groups

Research organisations and industry groups have been consulted on an as-needs basis to obtain specialist information for studies conducted for the project. The following organisations provided input into the studies:

- World Wide Fund for Nature, Kikori Integrated Conservation Development Project –terrestrial biodiversity studies.
- PNG National Museum and Art Gallery – archaeology and cultural heritage surveys.
- PNG University – archaeology and cultural heritage surveys.
- PNG Forest Research Institute – botanical surveys.
- Lae National Herbarium – botanical surveys.
- PNG National Forest Service – forestry assessment.
- PNG National Forest Authority – forestry assessment.

### 9.7.3 Landowners and Local Communities

Formal consultation with landowners and the local community has been largely via the Project Awareness and Environmental Inception Report Roadshow presentations held in November 2007, attended by some 3,198 people in 34 villages, and the Project Community Awareness and Mitigation Roadshow presentations held in November and December 2008 attended by 4,307 people in 34 villages, involvement in specialist studies for the project, household surveys conducted as part of the SIA, the social mapping and landowner identification process and informal meetings with the Land and Community Affairs team on an as-needs basis. Table 9.4 lists villages visited and number of participants in each of the roadshows.

**Table 9.4 Villages and number of participants – 2007 and 2008 roadshows**

Village	Project Awareness and Environmental Inception Report Roadshow 2007			Project Community Awareness and Mitigation Roadshow 2008			
	Men	Women	Total*	Men	Women	Children	Total
<b>Villages within Juha–Hides (Febi)</b>							
Siabi	12	8	20				
Suabi	120	30	150	48	29	88	165
Tobi No.1	20	12	32				
<b>Villages within Hides–Moran (Huli)</b>							
Benaria	175	25	200	150	80	70	300
Hides 4	130	12	152	163	29	20	212
Hides Camp				13	5		18
Homa	78	12	90	109	32	16	157

**Table 9.4 Villages and number of participants – 2007 and 2008 roadshows (cont'd)**

Village	Project Awareness and Environmental Inception Report Roadshow 2007			Project Community Awareness and Mitigation Roadshow 2008			
	Men	Women	Total*	Men	Women	Children	Total
<b><i>Villages within Hides–Moran (Huli) (cont'd)</i></b>							
Idauwi	80	75	155	66	14	12	92
Juni	120	30	150	60	32	32	124
Komo				83	18	37	138
Ridge Camp			**	55	7		62
Teni	145	65	205	40	10	10	60
Yaluba				206	104	52	362
Yarale	43	7	50	40	12	6	58
<b><i>Villages within Kutubu–Omati (Foe)</i></b>							
Gesege	60	20	80	31	12	38	81
Inu	180	18	198	14	1	8	23
Kantobo	35	107	142	17	14	23	54
<b><i>Villages within Kutubu–Omati (Fasu)</i></b>							
Hedinia				66	66	25	157
Sisibia	85	20	105	38	11	28	77
Waro	8	50	58	39	18	44	101
<b><i>Villages within the gulf area (Kerewo)</i></b>							
Apeawa	7	48	55	12	4	15	31
Bisi	50	30	85	64	25	38	127
Goare (included surrounding villages)	11	15	40	110	33	17	160
Omati				87	27	70	184
<b><i>Villages within the gulf area (Rumu)</i></b>							
Kikori [Ogomabu]	7	60	67	80	17	10	107
Kopi Operations	9	55	64	27	2		29
Kopi village	1	38	39	22	15	19	56
<b><i>Villages within the gulf area (Kibiri)</i></b>							
Veiru [Babaguiina]	13	100	113	24	14	32	70
<b><i>Villages within the gulf area (Ikobi)</i></b>							
Baina	19	74	93	57	14	27	98
Gobe Operations	3	51	54	130	3		133
Kaiam	31	76	107	79	16	47	142

**Table 9.4 Villages and number of participants – 2007 and 2008 roadshows (cont'd)**

Village	Project Awareness and Environmental Inception Report Roadshow 2007			Project Community Awareness and Mitigation Roadshow 2008			
	Men	Women	Total*	Men	Women	Children	Total
<b>Villages within the gulf area (Samberigi)</b>							
Pawabi	6	75	81				
Samberigi	30	130	160	155	65	97	317
Yanguri	30	155	185				
<b>Villages in the vicinity of the LNG Facilities site</b>							
Borea	75	47	122	46	14	10	70
Lea Lea	82	5	87	56	15	25	96
Papa	47	12	59	189	93	93	375
Porebada				32	1	2	35
<b>Total</b>	<b>1,712</b>	<b>1,462</b>	<b>3,198</b>	<b>2,430</b>	<b>866</b>	<b>1,011</b>	<b>4,307</b>

\*Children were not included in the people count in the 2007 Project Awareness and Environmental Inception Report Roadshow but many were present at all locations.

\*\*The Ridge Camp was visited as part of the 2007 Project Awareness and Environmental Inception Report Roadshow but the number of participants was not recorded.

Table 9.5 is a summary of environmental issues raised by landowners and local communities at the roadshows and identifies how issues have been responded as part of the EIS process and how they will be managed as the project proceeds to construction and operation. Social issues discussed are identified and addressed in Chapter 23, Project-wide Socio-cultural Impacts and Mitigation Measures. Figure 9.1 shows the villages presented to as part of the project's roadshows (2007, 2008).

**Table 9.5 Summary of environmental and social issues raised through local community engagement**

Environmental and/or Social Issue	Response or Action Taken
Access to hunting, fishing and gardening areas in the project area assured.	Information will be gathered to gain a good understanding of local resource uses to inform compensation discussions if access is disrupted (see Section 23.9, Agriculture, Fisheries, Forestry and Subsistence).
Provision of access to clean water.	Esso acknowledges the issue and will discuss with government ways to implement strategic community investment infrastructure growth, particularly in areas impacted by the PNG LNG Project through provisions of the National Content Plan (see Section 23.6, Future Economic Benefits).
Potential damage to the Omati River due to the pipeline.	Baseline monitoring has commenced in the Omati River and will continue through construction and after to monitor potential impacts on hydrology and sedimentation. Results will be relayed to villagers. Assessment predicts no long-term impact to the Omati River. Mitigation measures, if required, will be implemented in consultation with affected landowners (see Section 18.4, Water Resources and Hydrology).

**Table 9.5 Summary of environmental and social issues raised through local community engagement (cont'd)**

<b>Environmental and/or Social Issue</b>	<b>Response or Action Taken</b>
Potential increase in beach erosion at LNG Facilities site.	Hydrodynamic modelling undertaken at the LNG Facilities site has indicated that there will be minimal change to alongshore sedimentation (see Section 21.2, Physical Coastal Processes and Sediment Transport).
Disturbance to the marine environment and fish resources.	Subsistence fisheries will be temporarily disrupted during pipelaying activities but only in the vicinity of the moving exclusion zone surrounding the construction vessels (see Section 19.5, Marine Fisheries, and Section 21.6, Subsistence Fisheries and Marine Traffic).
Proposed pipeline to cross migration route of prawns and rock lobsters.	Lobsters migrate along the seafloor and the pipeline could be considered an obstacle. However, lobsters have been observed crawling over similar pipelines in the past (see Section 19.4, Marine Fauna). Prawns swim in the ocean column and are unlikely to be affected by a pipeline either lying on the seafloor or buried in soft mud (see Section 19.5, Marine Fisheries).
Employment of local people and proper training for safety reasons.	Esso will review skills gap and identify training opportunities for locals (see Section 23.6, Future Economic Benefits).
How the findings of the biodiversity studies tie in with the conservation management of the area, e.g., involvement of World Wildlife Fund plans.	World Wide Fund for Nature has been involved with wildlife management in the Kikori Basin for the past 14 years and has contributed to biodiversity surveys for the PNG LNG Project and the previously proposed PNG Gas Project (see Section 18.7.4.4, Direct and Indirect Impacts on Conservation Areas During Construction and Operations). Esso has committed to encourage environmental non-government organisations in their activities in the project area (see commitment M62 in Chapter 29, Summary of Mitigation and Management Commitments).
Sharing of data from the EIS studies and opportunities for consultation as issues are worked through.	The final EIS will be made public and available at appropriate locations and on a public website (see Section 1.4.3, Obtaining a Copy of the EIS). The formal DEC roadshows in early 2009 will provide further opportunities to sharing of project information. Esso will undertake extensive consultation with all stakeholders as the project advances through EIS approvals and project permits and then into construction and operations. A public consultation and disclosure plan will be prepared to focus and direct this varied and extensive consultation effort over all aspects of the project (see Section 9.8, Continuing Stakeholder Engagement).
Safety of the pipeline and LNG Facilities site, e.g., major fire, major contamination, leaks and spills.	The LNG industry has a good safety record, and Esso considers safety a priority (see Section 1.1.1, Liquefied Natural Gas; 'LNG Facilities Safety Philosophy' in Section 4.2.1.3, LNG Facilities Layout; Chapter 27, Environmental Hazard Assessment; and Attachment 1, LNG Safety).

**Table 9.5 Summary of environmental and social issues raised through local community engagement (cont'd)**

<b>Environmental and/or Social Issue</b>	<b>Response or Action Taken</b>
The future of locals (especially with respect of royalties) at the end of the 30-year project life.	Esso is committed to sustainable development and capacity building in terms of education, health and agriculture (see Section 23.6, Future Economic Benefits).
Consideration of women's concerns as part of the EIS process.	The issues of women and vulnerable groups were specifically researched for the SIA and are reported in Section 23.1.1.5, Women's Issues, and Section 23.1.1.6, Vulnerable Populations, which are reported in detail in the SIA, see Appendix 26, Social Impact Assessment.
Possible sedimentation impacts in the Kikori River as a result of the PNG LNG Project.	The pipeline crossing of the Kikori River upstream of Kaiaua will be by horizontal directional drilling. Engineering design principles for construction of structures in rivers, including the upgrades to the Kori wharf and shore base, will take account of stream flow, morphology and river dynamics. Besides these activities, the project will use the Kikori River only for transport of equipment and supplies during project construction. Overall impact of project activities on sedimentation effects in the Kikori River is predicted to be minimal in the short term and longer (see Section 18.4, Water Resources and Hydrology).
Potential air pollution impact on asthmatics caused by the fumes from heavy machinery.	Assessment of potential impacts during construction and operations has been conducted using air dispersion modelling which predicts that project emissions will meet international air emissions performance standards for protection of human health (see sections 18.8, Air Quality, and 20.8, Air Quality, for air impact assessment for upstream project facilities and the LNG Facilities site, respectively).
Project recognising the landowners along the barging route.	The project has considered the impacts of increased barge traffic (during construction) on resource use and citizen safety and archaeological and cultural heritage sites of the people living along the barging route (see Section 19.5, Marine Fisheries). Preclearance surveys will be undertaken to assess archaeology and cultural heritage prior to commencement of construction activities (see Chapter 22, Project-wide Cultural Heritage Impacts and Mitigation Measures).
Pipeline contractor lack of sensitivity to local people and their culture.	Esso will require its contractors to respect the local people, their traditions and the environment. Project awareness and sensitivity training will be a prominent feature of induction and training of all project personnel and contractor workers (see Section 30.3.2, Contractor Environmental Management Plan Guidelines and Expectations).
Need for new and upgrade to community infrastructure to support sustainability within affected villages.	Esso will implement a National Content Plan that will address strategic community investment, local business opportunities and workforce training (see Section 23.6, Future Economic Benefits).

**Table 9.5 Summary of environmental and social issues raised through local community engagement (cont'd)**

<b>Environmental and/or Social Issue</b>	<b>Response or Action Taken</b>
Villager use of the Kopi to Omati access way after construction.	The roadways built to support the pipeline ROW construction west of Kopi and the Omati River Landfall will not be maintained at the end of project construction in this area (see commitment M89 in Chapter 29, Summary of Mitigation and Management Commitments).
Control of in-migration of people.	The Social Impact Assessment (Appendix 26) identified this as a likely social impact. In-migration impacts are discussed in Section 23.10, Transport and Communications, and in Section 23.11.8, Migration, Law and Order.
Migration of animals out of affected area. The ridges provide breeding grounds for animals that provide locals with their livelihood.	As almost all clearing is linear and forest losses are expected to commence regenerating within one to two years of disturbance, impacts to faunal habitats are predicted to be minimal (see Section 18.7, Biodiversity).
Proper disposal and management of dredging wastes.	Dredge spoil will be managed in accordance with good industry practice and to Environment Australia (Commonwealth) guidelines with respect to dredging and disposal of dredged material (see commitment M213 in Chapter 29, Summary of Mitigation and Management Commitments). Assessment of potential impacts of dredging are discussed in Chapter 21, Environmental Impacts and Mitigation Measures: Marine Facilities).
LNG Facilities site located in the Kikori River area for employment opportunities.	The shallow waters in the Kikori River delta render the area unsuitable for siting an LNG facility. While this location was not considered in the scoping of locations for the LNG Facilities site, the rationale for requiring a deep water berth for LNG carriers is discussed in relation to the various LNG Facilities site locations that were considered (see Section 7.5, LNG Facilities Location Options).
Barges disturb the ecosystem and question if all equipment and pipelines could be transported through Lae instead of Kopi.	Some materials will be delivered through Lae but the pipeline for the southern section of the alignment will be routed through Kopi. The increase in turbidity caused by additional tug movements is expected to be minimal when compared with background total suspended sediment levels of the Kikori River (see Section 18.5, Water Quality).
Use of the Juha road for locals.	The Hides to Juha road will function as a private project road during operations. Vehicle access will be restricted by a permit system or similar for the lifetime of the project; local landowners will be allowed to use it (see commitment M90 in Chapter 29, Summary of Mitigation and Management Commitments).
Care upstream of the Strickland River to protect water quality.	Mitigation measures will be used to minimise erosion and sediment delivery downstream of the construction site, limit river crossing of the pipeline and to minimise risks associated with release of contaminants into waterways (see Section 18.4, Water Resources and Hydrology).

**Table 9.5 Summary of environmental and social issues raised through local community engagement (cont'd)**

Environmental and/or Social Issue	Response or Action Taken
Social breakdown of villages (law and order) due to oil developments.	While there is a widespread perception that in-migration due to oil developments has brought with it attendant law and order issues, there is little evidence that it has caused significant social disruption (see Section 23.9.7, Migration, Law and Order).
Breakdown of subsistence farming. Local food production is reduced as people are relying more on royalty payments from oil projects.	<p>The PNG LNG Project will provide opportunities to increase food production by:</p> <ul style="list-style-type: none"> <li>• Stimulating local demand through higher levels of disposable income.</li> <li>• Increasing market access via road infrastructure improvements.</li> </ul> <p>The project will develop a National Content Plan to implement early and sustainable benefits to landowners and impacted communities through Local Business Development Plans (see Chapter 23, Project-wide Socio-economic Impacts and Mitigation Measures).</p>

Many issues were raised in relation to benefits and compensation to individual landowners and local communities. These are not within the scope of the EIS and will be addressed as part of the Benefits Sharing Agreement with the proponent and relevant party to the project (see Section 8.2.2.4, Social Impact Assessment).

Many locals appreciated that discussions on the project were conducted locally and not in Port Moresby. They requested that this continue.

Results from the SIA household surveys (see Appendix 26, Social Impact Assessment) identify an overwhelming support for the project with less than 5% of the populace rejecting it overall. Concerns regarding environmental impacts featured as a reason for rejecting the project (see Chapter 15, Socio-cultural Environment: Upstream Facilities and Pipelines and Chapter 17, Socio-cultural Environment: LNG and Marine Facilities).

## 9.8 Continuing Stakeholder Engagement

Consultation will continue during the construction and operations of the project. This will include the regular preparation and distribution of printed materials, the placement of informational material on websites, formal and informal discussions with communities in affected areas, the development and implementation of mechanisms for the receipt and handling of stakeholder concerns and comments, and the communication of relevant project milestones via various media announcements.

### 9.8.1 Public Consultation and Disclosure Plan

Future direction and management of stakeholder consultation will come under a formal public consultation and disclosure plan. Esso will prepare a Public Consultation and Disclosure Plan in accordance with the International Finance Corporation's, 'Stakeholder engagement: a good practice handbook for companies doing business in emerging markets' (IFC, 2007i) and the Equator Principles (EPFI, 2006).





The plan will provide structure and processes to be followed for providing information on the project to the many and varied stakeholders and for recording and responding to issues raised during consultations.

Ongoing stakeholder engagement under the umbrella of the project's Public Consultation and Disclosure Plan will include:

- Liaison and consultation with PNG Government departments and in particular, the DEC and DPE during EIS assessment, EIS approvals and project permitting. In addition, at the invitation of the DEC, Esso will participate in the DEC EIS Roadshow to stakeholders on the final EIS in the first quarter 2009.
- Liaison with project area landowners as part of preconstruction surveys, in particular to identify and avoid where possible biodiversity and cultural heritage constraints in the project area, and later during the actual implementation of construction works.
- Consultations as part of the various social and community benefits programs to be initiated (see Chapter 23, Project-wide Socio-economic and Cultural Impacts and Mitigation Measures).
- Consultations with communities via the Land and Community Affairs team (including village liaison officers).
- Targeted consultation with those landowners whose dwellings and gardens are directly affected by the project pipeline alignment and facilities locations and whose interests will be addressed in land acquisition and involuntary resettlement negotiations both during the development and implementation of the program.
- Continuing information disclosure at regulator, community, public level providing updates on the progress of planning and implementation, pollution prevention and abatement, community health and safety.

### **9.8.2 Grievance Mechanism**

A grievance procedure will be established as part of the project's Public Consultation and Disclosure Plan. The grievance procedure will set out how people affected by the project can bring their grievances forward so that they may be considered in a culturally appropriate and expeditious manner. The procedure will be developed in accordance with ExxonMobil's OIMS (see Section 30.2, Environmental Management Systems Overview) and the requirements of the International Finance Corporation's, 'Stakeholder engagement: a good practice handbook for companies doing business in emerging markets' (IFC, 2007i) and is expected to build on existing company practices that are managed by Esso's Land and Community Affairs team.

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