
Landowners expect forthright communication about benefits from the PNG-LNG Project

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Abstract

Indigenous landowners in the project sites of the US\$19 billion Papua New Guinea Liquefied Natural Gas (PNG LNG) Project in Hela Province were primarily concerned about their ‘benefits’ from the project (Pamba, 2018). The indigenous landowners, who participated in the author’s research study, spoke about their mandated and perceived benefits, while positioning themselves as the *gas apa*, which is ‘father of the gas’ or ‘owner of the gas’ in the Huli language spoken by the tribes living within the project license areas in Hela. ‘Apa’ is the Huli word for ‘father’, hence ‘owner’. The landowners from three villages in three project sites in Hela were involved in the research study. The landowners were agitated by what they perceived as lack of forthright communication and engagement by officials of the Government of PNG and the company (ExxonMobil PNG Ltd).

Introduction

This paper addresses the main concern of the indigenous landowners in the PNG LNG Project sites in Hela Province, which was ‘benefits’ from the project. The landowners who participated in the research study were primarily concerned about their ‘benefits’ from the project and little else mattered to them (Pamba, 2018). The doctoral research study was conducted in part-time study mode in Divine Word University between 2012 and 2017. The thesis was completed by January 2018 and the author subsequently graduated with the Doctor of Philosophy degree award in March 2018.

Landowners from across three villages in the three project sites in the Komo local level government area of the Komo-Margarima District chosen for the study mainly spoke about their mandated and perceived benefits. The landowners positioned themselves as the ‘gas apa’, where ‘apa’ in their indigenous Huli language means ‘father’ and ‘owner’. They spoke about benefits according to this stance, although the modern laws of PNG, notably the Oil and Gas Act 1998, places ownership of petroleum resources in the State (Pamba, 2019; Pamba 2018).

The impacts of the project on areas such as the natural and cultural environments were of least concern to the landowners. Those who did say something on the impact of the project on the environment and the culture did so in the context of compensatory benefits rather than preservation or protection of these aspects of the indigenous Hela society (Pamba, 2018).

Throughout the focus group discussions, the landowners from the three villages kept talking about the lack of regular visits by the government and company to communicate with them about their benefits. The landowners also made claims of unfulfilled promises of benefits by the government and the company.

The landowners were making their stances for project benefits as the ‘gas apa’, from their indigenous knowledge stances, essentially in a legal vacuum with the mandatory identification of landowner beneficiaries in the project under a process called ‘clan vetting’ not being concluded (Pamba, 2018). This Social Mapping process by the developer, as required by the Oil and Gas Act 1998, was not done by the time the study was concluded (Pamba, 2018). At the time of writing this paper in November 2019, the ‘clan vetting’ process was not concluded and legitimate landowners in Hela were not yet informed by the government as legal beneficiaries in the project.

The views of the landowners in the villages regarding benefits are consistent with the sentiments expressed publicly through the mass media and other forums by landowner officials and other leaders from Hela Province since the project agreement was signed by the state, developer (and fellow equity owners, in May 2008).

The discontentment of landowners regarding benefits were framed from their indigenous position as the *gas apa* or *tindi apa*, which is counter to the modern legislative regime of PNG, that rests ownership of petroleum resources with the State under the Oil and Gas Act 1998.

In the present petroleum legislative regime, indigenous landowners are not direct signatories to a project agreement. Within a petroleum license area, they are classified as beneficiaries of a project as members of project impact communities and not as owners of the petroleum resource or ‘*gas apa*’ (Pamba, 2019; Pamba, 2018). *Apa* in Huli, the language spoken in the project areas of Hela, means ‘father’ and also substitutes for ‘owner’ of a property (Pamba, 2018). When the words ‘gas’ and ‘apa’ are combined in Huli as ‘gas apa’, it means father or owner of the gas. The landowners who participated in the study presented themselves as the gas apa and more generally called themselves as ‘tindi apa’ where ‘tindi’ in Huli means land, hence father of the land or owner of the land (Pamba, 2018).

The landowners from villages in the project licence areas who classify themselves as gas apa or tindi apa, expected the Government and ExxonMobil PNG Ltd, to communicate with them about their benefits. The landowners also accused the government and company of not fulfilling their promises in providing benefits.

Methodology

The research was a qualitative case study that employed several theoretical lenses. These included Development Communication (Bessette, 2004; Melkote, 2010; Mefalopulos, 2008), particularly the recent variant that emphasizes

participation, dialogue and empowerment (Mefalopulos, 2008), Jurgen Habermas' Communicative Action Theory (1984), and indigenous knowledge systems and several data gathering methods (Pamba, 2019; Pamba 2018). The methods were focus group discussions, unstructured interviews, document search, observation and photographs (Pamba 2019; Pamba 2018).

Focus group discussion

This paper elaborates on focus group discussions as the method used to gather data from indigenous landowners, whose main concern was benefits from the project, which is the subject of this article. Kamberelis and Dimitriadis (2008) advise that focus group discussions "are efficient in the sense that they generate large quantities of data ... (and) ... often produce data that are seldom produced through individual interviewing and observation and that result in especially powerful interpretative insights" (p.397).

The element of 'powerful interpretative insights' weighed in favor of this study as it was dealing with indigenous people in remote rural villages who are part of a traditionally oral society and were illiterate or semi-literate in English and they were used to sitting down in a meeting place to talk about matters of concern to them. The landowners did not disappoint as they were used to the occasion of a focus group discussion to express themselves well primarily on the benefits from the project, which was their main concern.

Five male and five female landowners over the age of 18 were pre-selected in each of the three villages to participate in the focus group discussions (Pamba 2019; Pamba, 2018). The selection of the landowner participants was done through Hela contacts known to the researcher who liaised with the villagers and arranged the focus group discussions.

Thematic analysis

Clarke and Braun (2013) posit that thematic analysis "is essentially a method for identifying and analysing patterns in qualitative data" (p. 120) and there are a number of schemes that can be used. The researcher coded and thematically analysed data using qualitative data analysis software, NVivo, versions 10 and 11. Twenty-two (22) preliminary themes were identified and labelled in NVivo where the attributions from the different data sources were entered. The issue of landowner 'benefits' was one of the 22 preliminary themes used. After the attributions were entered into NVivo under each preliminary theme, the references to 'benefits' recorded the highest number of over 90 attributions from the different data sources.

The graph below, generated by NVivo, highlights the themes that emerged in the data during analysis with 'benefits' recording the highest attributions. The graph shows the popularity of each of the themes by the number of sources attributed as having said something about each of them. The graph shows the popularity of the theme 'benefits' as most popular from the different data sources including focus group discussion.

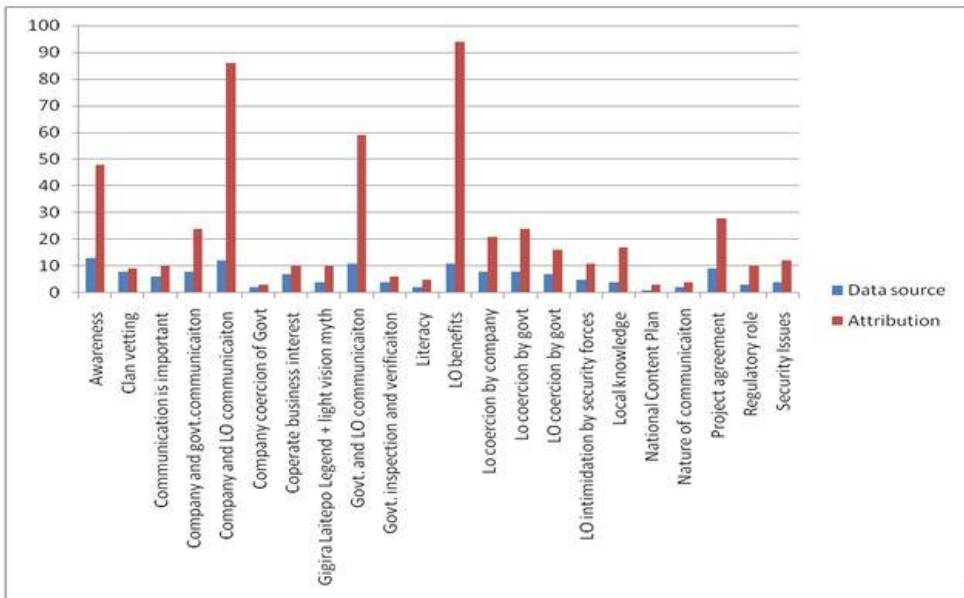


Figure 1 Popularity of themes in data

(Source, Pamba, 2018, p.105)

These preliminary themes were further thematically analysed using a thematic analysis scheme from Astride-Stirling (2001) which orders themes under three premises:

- (1) ‘basic themes’ which are ‘lowest-order premises evident in the text’
- (2) ‘organizing themes’ which are ‘categories of basic themes grouped together to summarise more abstract principles’, and,
- (3) the ‘global theme’ which are ‘super-ordinate themes encapsulating the principal metaphors in the text as a whole’ (p. 388).

Five of the 22 preliminary themes including ‘benefits’ were then selected as ‘organizing themes’ based on their summation of the remaining 17 that were grouped as ‘basic themes’ which Attride-Stirling (2001) classifies as ‘lower order premises evident in text’.

The five organizing or summative themes are:

- communication
- government regulatory role
- benefits
- local knowledge
- intimidation.

The table below shows the placement of the 17 preliminary themes into the five organising themes out of the 22 under the overarching or ‘global’ theme

labelled ‘nature of communications’ which was the subject of this research study. The five organizing themes and the basic themes grouped under each of them were then used as headings and sub-headings to articulate the findings of the thesis.

Global (or overarching) theme: Nature of Communications

Table 1: Organising and basic themes (Source, Pamba, 2018, p.105)

Organising themes	Basic themes
1. Communication	<ul style="list-style-type: none"> a. Awareness b. Communication is important c. Company and Government communication d. Company and landowner communication e. Effectiveness of communication f. Government and landowner communication g. Literacy
2. Government regulatory role	<ul style="list-style-type: none"> a. Regulatory role b. Government inspection and verification c. Clan-vetting
3. Benefits	<ul style="list-style-type: none"> a. Corporate business interest b. Landowner benefits c. National Content Plan d. Project agreement
4. Intimidation	<ul style="list-style-type: none"> a. Company coercion of Government b. Landowner coercion by company c. Landowner coercion by Government d. Landowner intimidation by Security Forces e. Security issues
5. Local knowledge	<ul style="list-style-type: none"> a. Gigira Lairepo Legend - Light vision myth b. Knowledge of tribal and cultural ways and linkages c. Local knowledge and taboos

Discussion

The indigenous landowners in the project license areas expected the government and the company to communicate with them regularly and keep them informed about their benefits from the project (Pamba, 2018). The landowners in the study spoke of their benefits but did not articulate well what they were referring to, owing to their status, as mainly people from rural and remote villages with a lack of or limited education. They spoke mainly in vague terms of what they considered as benefits especially provision of social

services like health and education, employment and more importantly monetary benefits.

The landowners expected a communication process that was ‘open, dialogic and participatory’ (Mefalopulos, 2008) and one that, as Habermas (1984) posits, is done by mutual agreement by two or more ‘actors’ (stakeholders) who “seek to reach an understanding about the action situation and their plans of action in order to coordinate their actions by way of agreement” (p.86).

The lack of regular ‘open, dialogic and participatory’ communication existed in an environment where the Department of Petroleum and Energy (now Department of Petroleum), the government agency responsible for the petroleum sector, did not have an office in Hela. Nor did the Hela provincial government have a mechanism in place to engage with the landowners (Pamba, 2018). The Department of Petroleum operated on a fly-in, fly-out basis, with its Port Moresby-based officers traveling from national capital to the project sites in Hela only when needed, while the landowner representatives flew down to Port Moresby at their expense whenever they needed to meet with the government officials.

The above situation existed at a time when the mandatory landowner identification or ‘clan vetting’, that was supposed to be done by the project licensee (developer) prior to the project agreement was signed in May 2008 as required by the Oil and Gas Act 1998, was not done by the conclusion of this study in January, 2018 (Pamba, 2018). Even at the time of writing this article in November 2019 the Hela landowners have not been legally identified as the ‘clan vetting’, which was eventually carried out by the government through the Department Petroleum, did not reach its final conclusion for the landowners to be officially informed and advised of their status as legitimate landowner beneficiaries or not.

‘Handpicked landowner’ and ‘paper landowner’ beneficiaries

In the vacuum of legitimate landowners not being identified through the mandatory ‘clan vetting’ process, there were cases of, as one representative of Hela Provincial Government identified as ‘4A’ in the study put it, ‘every man and his dog’ claiming to be a legitimate landowner (Pamba, 2018).

The mandatory development forum and the subsequent signing of the Umbrella Benefiting Sharing Agreement (UBSA) in Kokopo, in East New Britain Province in May 2009, was tainted with claims of ‘hand-picked’ landowners brought over to meet and sign the UBSA (Pamba, 2018). A number of landowners who participated in this study spoke of being ‘handpicked’ and taken to Kokopo to sign the UBSA ‘without understanding’ (Pamba, 2018).

The development forum and UBSA signing involved some 3000 people that included landowners and representatives of local level governments and provincial governments in four provinces on the footprint of the project plus the national government representatives (Pamba, 2018). The three districts of

the new Hela Province were part of the Southern Highlands Province until the new province came into formal existence as of the National Election in 2012.

Some of the landowners who participated in the forum and signed the UBSA claimed to have signed ‘without understanding’: Here is the testimony of one of the landowners identified as ‘3M1’ in this study:

“The government people told us to sign and we did but without understanding. We did not read it and sign. After we signed it, they brought us back home and the project started. How each of the landowners understand the agreement and who signed it for them, whether it is bearing fruit or not, that I don’t know. I did not read the agreement; signing I did sign. Policemen also lined up at that time.”

Under the UBSA arrangement, the government put aside money in what is called business development grant (BDG), a fund which was claimed to be abused by the well-connected including the ‘paper landowners’ in Port Moresby. ‘Paper landowners’ is a euphemism for individuals residing in Port Moresby who claim to be landowners but may not be from the project licence areas.

The development forum and consequential signing of the UBSA was a government process to sort out beneficiaries in the project and did not involve the company.

Development forum and the Umbrella Benefit Sharing Agreement (UBSA)

By the letter of the PNG petroleum legislative regime, principally the Oil and Gas Act 1998, the State takes carriage of ownership of all petroleum resources thus is the signatory to a project agreement and is the equity partner. This results in landowners plus local level governments and provincial governments in project host provinces coming under the umbrella of the State to share the equity of the State.

In the case of the PNG LNG project, the State holds 16.8% equity through the holding company, Kumul Petroleum Ltd, while State-owned landowner investment company, Mineral Resources Development Company (MRDC) through its subsidiary MRDC Exploration, has 2.8% share (pnglng.com, 2019).

The development forum and UBSA in Kokopo were important pre-conditions set by the Oil and Gas Act 1998 that needed to be met to sort out benefits to landowners and local level and provincial governments before a license was awarded to the project developer for the development of the project (PNGLNG.com, 2019).

Table 2: Benefits from the Umbrella Benefit Sharing Agreement (USBA)

Benefit type	Composition of the benefit
Royalty	A royalty benefit of 2 percent is provided by the State to landowners, affected provincial governments and local level governments. Royalty is calculated on a 'wellhead value' basis per the terms of the Oil and Gas Act and will apply to volumes produced and then sold from the licensed area(s).
Equity	The USBA provides a total of 2.7 percent free equity participating interest in PNG LNG to Project area landowners and local level governments for greenfield areas. USBA also provides to Project area landowners and provincial governments the opportunity to buy-into indirect PNG LNG equity up to a collective maximum of 4.22 percent between 1 January and 30 June 2016.
Development Levy	A Development Levy of 2 percent of the wellhead value, calculated per the provision of the Oil and Gas Act and the LNG Gas Agreement, is available to the provincial governments and the local level governments.
Infrastructure Development Grants (IDG)	An amount of K1.2 billion has been allocated by the State equally over two five-year periods, commencing in 2010 for infrastructure development and maintenance in the affected Project areas and provinces.
Business Development Grants (BDG)	The State has provided K120 million (after the USBA signing) to assist landowner companies in business development activities under the PNG LNG Project.

(Source, www.pnglng.com)

The royalty payments for Hela and Southern Highlands province landowners have yet to be paid, while initial compensatory payments and benefits such as the business development grants (BDG) were provided to landowners. The contentious issue for landowners more generally is the access to these benefits when 'clan vetting' is not concluded and the onset of anomalies such as the 'hand-picked' landowners and 'paper' landowners accessing some of the benefits.

Due to the landowners not being legally identified, their royalty benefits from the project since the export of the first LNG shipment in May 2014 is kept in a trust account with the Bank of Papua New Guinea (*The National*, 2016) and this money is still in the trust account at the time of writing this paper in November 2019.

Conclusion

The message has been clear from the indigenous landowners in the villages in the project license areas in Hela province that they would like to know about the project benefits and gain from what is owed to them. The landowners in the villages, as under-privileged in terms of education and awareness, would benefit greatly from being informed properly by the State which is the steward of the petroleum resources on behalf of landowners and all citizens.

The State essentially failed its subjects, especially the landowners, by not ensuring 'clan vetting' was completed by the company on time and not having a Department of Petroleum office in Hela.

The information in the table above on benefits looks clear and straightforward to the literate and educated person to see and understand. This information needs to be translated into a form that is understood by the landowners in the rural and remote villages in the project license areas such as those who participated in this study. This is the crux of the challenge that faces landowners in Hela province – that the government ought to have a mechanism in place to reach out to the people in the villages to communicate this information in a clear and simple manner.

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