

Mining in PNG: Power, Privilege and Denial

Charles Roche 31st January 2013*

The mining industry in PNG has come under increasing scrutiny in recent years with the establishment of [PNG Mine Watch](#) and [Act Now](#) along with efforts from international community based organisations¹. Confronted and affronted by the glaring disparity in the benefits obtained by ex-pats and locals, PNG communities are increasingly challenging both an assumed right to develop and the de-facto method of development, mining.

This is not a surprise to anyone who has been listening. The groundswell of opposition has arisen from mining related problems and a disparity, inequity and injustice when it comes to the distribution of mining's benefits. There is a long list of troubled projects and mine sites including Misima, Tolukuma, Ok Tedi, Mt Kare, Ramu, Porgera, Solwara 1, Ok Tedi and Bougainville.

The fact is, that mining is often conducted for the companies benefit, with little regard for the national, regional or local impacts from mining and the management of its waste streams. Similarly, while the benefits of mining should be fairly distributed between company, the state, landowners and affected people, this is rarely the result in PNG. Unfortunately, the Government of PNG has struggled to balance the need for development with other goals², a task made harder with the pressure from companies and their home countries³.

The era when industry representatives can impose enormous environmental impact and social dislocation justified by tightly controlled studies and consultant's 'grey literature,' is over. No matter what ex-pat miners, directors, consultants and companies say, locals from PNG are concerned about the impacts of mining and mine waste on their land (and water) and their future, whether it is from Hidden Valley, Lihir or Simberi.

The real story behind the recent coverage of Ross Garnaut's sudden departure from the PNGSDP is not diplomatic tension or obstructing Australian enterprise. Only those in ivory towers with powerful friends, influence or assets could believe the issue was about them. The real story is one of ongoing colonialism⁴ where rich and powerful people reference expensive plans and reports; at the same time locals die premature deaths⁵, suffer from a lack of medical assistance⁶, poor education and a lack of opportunity. Despite a recent independent review⁷,

¹ The author works for the Australian based [Mineral Policy Institute](#), other international organisations watching mining in PNG include [Mine Watch Canada](#), [Amnesty International](#) and [Human Rights Watch](#)

² See the [PNG National Goals and Directives](#)

³ Examples include the ten year tax holiday for the Chinese Government owned Ramu Nickel mine and Australian Government support for military intervention in Bougainville.

⁴ Lasslett, Kristian. 23 January 2013, '[Gillileaks' and Australia's Hypocrisy Over Julian Assange](#), Huffington Post

⁵ Chandler, Jo. 17 December 2012 [Up the Fly Without a Paddle](#) The Global Mail

⁶ Nancy Sullivan, [Women continue to die on the Fly River](#)

⁷ Callan, Margaret. 10 July 2012 [Papua New Guinea Sustainable Development Program – how is it performing?](#) Development Policy Centre Blog

many questions remain about transparency and the impact, success and sustainability of the development⁸ and investment decisions made by PNGSDP.

In an extended interview on the ABC⁹ following his resignation, Garnaut seemed to be grounded in the past, defending past actions and standards rather than advocating for reform. This is not to deny that Garnaut has made a contribution to PNG, it is just a shame that such an influential figure was not a more effective advocate for much needed reform in the PNG mining industry.

Similarly, BHP has looked to the past in controlling the PNGSDP. They could hardly expect to retain control over the board of such an important entity, both financially and symbolically, for so long, without expecting to raise the ire of an independent nation. It has taken far too long for BHP to hand over control of the Board. The recent statements by BHP and possible collusion with DFAT¹⁰ reflect either a poor understanding of the situation or simply denial masquerading as a defense of free speech and trade.^{11 12}

Interestingly while some commentators exaggerate the significance of the dispute and the impact on industry, the industry represented by Exxon, Horizon Oil and Highland's Pacific seems untroubled by recent events¹³.

The 'low point' of diplomacy or mining in PNG is not a travel ban, but the continued state of denial about the impacts of mining and the need to find solutions appropriate for this century rather than the last. Without doubt, mining has an important role to play in PNG's future, unfortunately the industry is operating on assumptions grounded in the past. The need for industry reform is stark, and all those insiders who cannot support positive change should make way for those who will.

If we were able to examine this episode from the view of the PNG people, rather than from an industry or Australian perspective, then the story would be completely different. There is an increasing recognition in PNG about the problems associated with mining, be it pollution or the resource curse¹⁴ and the viable alternative that agriculture offers¹⁵. Rather than focusing on vested interest's, Australia should be supporting a future for PNG where mining contributes to the development of the nation rather than just the development of isolated mine sites.

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⁸ Burton, John. 12 February 2011, [Reporting and sustainability at Ok Tedi](#), Development Policy Centre Blog

⁹ Garrett, Jemima. 17 January 2013, [Garnaut in depth on PNG and the dispute with BHP Billiton](#), ABC

¹⁰ Walker, Tony. 14 January 2012 [BHP Blasts PNG over ban on Garaut](#) Australian Financial Review

¹¹ [Editorial](#), 15 January 2012 Australian Financial Review

¹² Howes, Stephen. 14 January 2013 [PNG in 2013: politics, economics, PNG-Australia relations, and Ross Garnaut](#) Development Policy Centre Blog

¹³ Walker, Tony. 14 January 2012 [BHP blasted for 'colonial era' mentality](#), Australian Financial Review

¹⁴ Nicholson, Patrick. 25 January 2013 [Curse or blessing of natural resources in Papua New Guinea](#) Caritas International

¹⁵ Malu, Mallum. 25 January 2013 [On the 'kaukau trail' from Goroka](#) published in the National Weekender, sourced from [Malumnalu](#)