



# MONITOR.

*Monitoring the mining industry in Australasia and the Pacific*

## BHP INVESTIGATES OCEAN DUMPING FOR NICKEL MINE

While BHP's proclaims that "*prevention is better than cure*", the company is pressing ahead with investigations into dumping in the ocean wastes from the proposed Gag Island nickel project, 150 kilometres west of Irian Jaya in Indonesia.

In 1996 BHP hired Natural Systems Research (NSR), a Melbourne-based environmental consultancy, to advise it on the Gag Island project. NSR has previously worked for BHP on its ill-fated attempt to defeat legal action by PNG landowners affected by tailings disposal from the Ok Tedi mine.

Gag Island is a small island, approximately 10 square kilometres and home to 450 people who are mostly reliant on fisheries and food gardens. BHP Manager of Environmental and Community Affairs, Ian Wood, told *MM* the southern two-thirds of the island is mineralised with nickel while the northern end is used for food gardens by the local population.

A conventional tailings dam, Wood said, is one option for the northern section of the island but would affect the food gardens. An alternative option is a temporary tailings dam in the north and then backfilling the pits. The third option is ocean disposal, which avoids impacts on the gardening areas and the costs of backfilling.

While BHP's Managing Director, Paul Anderson, has ruled out any new projects dumping tailings into rivers, the company is prepared to consider projects that discharge tailings into the ocean.

Meanwhile, Ben Woodhouse, the Chief Executive Officer of Sydney-based PR consultancy Ecos Corporation, told the Minerals Council of Australia the industry would be



*Ben Woodhouse. Photo: Bob Burton.*

forced to provide answers on where it stood on issues like ocean disposal of mine wastes. "*You will need to make some very tough decisions on issues such as riverine and deep sea disposal of tailings, and cyanide use. And I know you're debating these and making progress on some of these. I would encourage you not to slow down*", Woodhouse said in June 2000.<sup>1</sup>

*"You will need to make some very tough decisions on issues such as riverine and deep sea disposal of tailings"*

*Ben Woodhouse  
Ecos Corporation*

In order to proceed with a feasibility study on the \$2.4 billion Gag Island nickel project, BHP announced it is hoping to team up with the second biggest nickel producer, Canadian-based Falconbridge. Falconbridge has tentatively confirmed it is at an advanced stage of negotiations to buy a 37.5% interest in the project for

\$US75 million, leaving BHP with an equivalent stake in the project.<sup>2</sup>

NSR is recommending BHP proceed with "*deep sea tailings placement*" (DSTP) of mine wastes. According to NSR "*the preferred options—processing on Gag with DSTP—are under intensive investigation*".<sup>3</sup>

*"Environmental management proposals for the mining component of the project will be based on the standard requirements placed on existing nickel operations by the New Caledonian authorities and the results of an NSR case study of the PT Aneka Tambang mine at nearby Gebe Island", NSR wrote.*

*Bob Burton*

<sup>1</sup> Ben Woodhouse, "The Code-in perspective", [www.minerals.org.au](http://www.minerals.org.au), 7 June 2000.

<sup>2</sup> "Falconbridge confirms tentative agreement on Gag Island nickel project", Canada News Wire, 12 July 2000.

<sup>3</sup> NSR, *Mining in High Rainfall Tropical environments: Project Listing*, [www.nsrnv.com.au](http://www.nsrnv.com.au), 15 November 1999, page 9.

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# LETTERS TO THE EDITOR

## UNEP TREATING SYMPTON RATHER THAN PROBLEMS

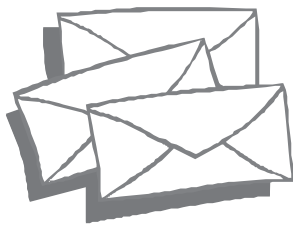
In "UNEP seconds Rio Tinto adviser for mining review" (MM July 2000) covering UNEP's attempt to develop a mining code raises a number of important points regarding the problems with UNEP efforts to bring industry to the table voluntarily to develop a code for cyanide management.

We would like to add a few. This conference was a delayed response to the unacceptable silence of industry in the aftermath of the massive cyanide spill that polluted a 250-mile stretch of the Danube. At this juncture, a serious problem is that UNEP may need funding from the mining industry to pull this off. The problems with this are obvious.

Even if this process gets underway, it is unlikely to deal with the key issues. Cyanide management and emergency response planning, the intended topics of the UNEP dialogue, treat the symptom rather than the problem.

This UNEP undertaking will only be credible if it seeks to address underlying issues. For example, defining the places where cyanide process gold mines are unacceptable because they pose too great a risk to ecological and cultural resources; regulation of all cyanide breakdown compounds and by-products; and investigation into cyanide alternatives.

Stephen D'Esposito  
President  
Mineral Policy Center  
Washington D.C. USA



## THANKS

The Environment Centre of the Northern Territory (NT) has long been involved in campaigns to prevent mining in sensitive areas, particularly in Kakadu. The ideas raised in *MM* have assisted us to critique the minerals industry in an informed and considered way, despite the lack of campaigning resources in northern Australia.

Recently we were involved in the development of a strategic plan for Darwin Harbour. One prospective consultant outlined their preferred means of community consultation - the 'Sandman model of outrage management'. They didn't get the job.

Similarly with NT mining legislation being overhauled recently, *MM*'s analysis of voluntary environment measures and the industry push for self-regulation have assisted our case that there is still a need for benchmark performance levels.

Thanks for your help.

Mark Wakeham and Kirsten Blair  
Coordinators,  
Environment Centre NT

PS. We've found discussion on 'corporate engagement' particularly interesting and useful and would like to hear the experiences of groups that have chosen to 'engage'. We've not yet thought it worthwhile.

## OOPS DEPARTMENT

Two errors crept into the last edition of *MM*.

In "*UNEP seconds Rio Tinto Adviser for Mining Review*", Rio Tinto was described as the world's largest mining company. In fact, Rio Tinto is the world's **second** largest, after Anglo-American.

In "*WMC backs new climate sceptics group*" the President of the Lavoisier Group, Peter Walsh, was cited as stating that "*What will be required, in the first instance, if Senator Hill's Kyoto target is to be achieved, is the closure of all of Australia's export industries*".

The partial quote should have been noted with three dots to signify the break as in "*export industries...*". More serious, however, was that the excerpt was based on a misreading of Walsh's long sentence.

The full quote was "*What will be required, in the first instance, if Senator Hill's Kyoto target is to be achieved, is the closure of all of Australia's export industries which are located here precisely because we have low-cost, coal-based electricity, together with the closure of the generating plant which provides electricity for those industries*".

It was taken that Walsh was referring to *all export industries* when he meant *all energy intensive export industries*.

*MM* prides itself on accuracy. If you spot a factual error please let us know and we will include a correction in the subsequent edition. Thanks to Phillip Sutton for spotting the second error.



## MINING MONITOR

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# CHANGE OR INDUSTRY 'IN JEOPARDY' SAYS RIO TINTO

Why would 27 of the world's largest mining companies pool over seven million dollars to spend on the Global Mining Initiative (GMI), a process of consultation on how to make itself "sustainable"?

Late in 1999, the Chairman of Rio Tinto, Sir Robert Wilson, candidly revealed that a shaken and uncertain mining industry is pinning its hopes on the Global Mining Initiative to save itself from decline.<sup>1</sup>

"What on earth went wrong?" Wilson asked rhetorically about the economic fall of the mining industry. Over the last 30 years, he said, "few companies have earned their cost of capital during most of that period". Worse still, those that had "have fallen behind the levels achieved in several other sectors ... The fact remains that investors today, unlike their predecessors, can quite easily choose to avoid the mining sector altogether".

Wilson grudgingly conceded, with caveats, that the increased environmental regulation had often been warranted. "We are entitled to expect that the controls are founded in science and reasonably weigh in the balance the costs and benefits. There have been many occasions, mainly in Europe, where limits on the use of mineral products have been prompted by emotion rather than sound science. And in North America, environmental remediation is sometimes seen as an absolute, rather than a reasonable balance of costs and benefits", he complained.

The shift in the strength of indigenous communities was a challenge, he said, the industry had to handle better. "Society's



Out of touch, industry warned. Photo: Bob Burton.

standards and priorities have shifted and our behaviour must not only shift in line but, given the long-term nature of our business, we must where possible try to anticipate future shifts", he said.

"There is a perception held, often tacitly, by a growing number of people that the global mining ... industry is incompatible with sustainable development", he said.

*"There is a perception ... that the global mining ... industry is incompatible with sustainable development"*

*Sir Robert Wilson  
Rio Tinto Chairman*

Doing nothing is not an option. "Unchecked it will drive legislation and distort markets in ways that will ultimately harm our business and developing economies alike – and produce unlooked for environmental and social consequences", Wilson said.

"Unless the major players in the global mining and minerals industry can present a convincing case that their activities are conducted in line with these [sustainable development] principles then their long term future is in jeopardy" he said.

"The mining industry carries a lot of baggage. No one can deny past environmental damage, nor the existence of modern examples of poor practice", he said.

The GMI, he hopes, will "arrive at a shared understanding of the role that the mining and minerals industry should play in the global transition to sustainable development". The "shared understanding" he sees extending to only "some" of the industry's critics. "As far as possible we need to come to an understanding with non mining stakeholders such as governments, international organisations and some of our critics in civil society", he said.

Central to the GMI process having credibility with broad society, he said, is the project being seen to be "manifestly independent and transparent". If it was, GMI "promises to build a fresh relationship between the minerals industry and some of its severest critics", he said. However he did not outline in detail what would happen if the GMI failed to be seen as credible or independent, as currently seems to be the case.

Bob Burton

<sup>1</sup> Sir Robert Wilson, "The Mining Industry: In Recuperation or Remission?", Securities Institute of Australia, Grand Hyatt Hotel, Melbourne, 7 December 1999.



## GLOBAL MINING INITIATIVE SPONSORS

Alcan, Alcoa, Anglo-American, Barrick, BHP, Billiton, Codelco, De Beers, EDM/Somincor, Freeport-McMoRan, Gold Fields, Lonmin, Mt Isa Mines, Noranda, Mitsubishi Materials/Mitsubishi Corporation, Mitsui Mining & Smelting, Newmont, Nippon Mining & Metals, Norsk Hydro, North, Phelps Dodge, Placer Dome, Rio Tinto, Sibirsky Aluminium, Sumitomo Metal Mining, Western Mining Corporation.



# GLOBAL MINING INITIATIVE HITS EARLY HURDLES

After barely starting work, the main research project established by the Global Mining Initiative to “*identify how mining and minerals can best contribute to the global transition to sustainable development*”, is struggling to live up to its own deadlines and claims of transparency.<sup>1</sup>

Instead of “*overcoming suspicion from other stakeholders, assuring them of the project’s independence*” key decisions have increased the scepticism of many non-governmental organisations (NGOs).<sup>2</sup>

While initial funding has been from mining companies, the companies decided that the World Business Council on Sustainable Development (WBCSD), whose membership overlaps with some of the sponsoring companies, would host the project.

In turn, WBCSD contracted the International Institute for Environment and Development (IIED), a consultancy organisation, to run the “Mining, Minerals and Sustainable Development” (MMSD) study to research key issues for the industry, develop consultation processes and devise implementation strategies.

While GMI members want NGO involvement in the MMSD process, however, they give no guarantees on implementing any outcomes. “*Encouraging them (NGOs) to get involved is an important task: Transparency is one of the keys to achieving this*”, they noted. Outcomes will be a “*consensus-based programme for voluntary implementation of the project results by a variety of stakeholders*”.<sup>3</sup>

While MMSD repeatedly refers to the project being “*independent*” the sponsoring companies play a gatekeeper role. According to MMSD documents the sponsoring group has “*overall project stewardship and supervision: raising finance, approving the budget and work programme, exercising budgetary control and supervising the conduct of the project*”.<sup>4</sup> MMSD documents claim that “*independence*” of the project will be ensured by



CSIRO Minerals Division's Dr Fiona Solomon. Photo: Bob Burton.

gaining 40% of funding “*from non-business sources*” including foundations and multi-lateral banks. To date none have contributed to the project.<sup>5</sup> The industry sponsors also claim that the establishment of an “*assurance group*”,

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*“there are underlying structural issues that mean the assurance group has no authority or power”*

## *NGO’s letter*

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will ensure independent oversight of the project by undertaking “*adequate peer review of all project outputs*”. The assurance group, they claim, “*will be made up of individuals who are acknowledged as authorities in the various subjects related to the project objectives*”.<sup>6</sup>

In a letter to IIED, a coalition of many of the main NGO groups working on mining issues expressed their scepticism about the role and composition of the assurance group. “*There have been serious problems with the process that has been used to select assurance group members and there are underlying structural issues that mean the assurance group has no authority or power*”, they wrote.<sup>7</sup>

Compounding the stresses within the process is the tight timetable. While the sponsoring companies claim the GMI is not a PR process, they decided the project must be ready to be “*showcased*” at a major industry conference in Toronto 2002 “*as part of the run up to the inter-governmental events marking the tenth anniversary of the Earth Summit in Rio*”. However, timetables are already slipping.

In Australia, IIED commissioned CSIRO Minerals to spend a month preparing a Draft Action Plan by 31 August. While Australian mining companies are embroiled in a host of controversies throughout the region, CSIRO is wary of the project being broader than Australia. “*While there are significant issues around mining and sustainable development in Asia and PNG, the Pacific, New Zealand and Antarctica, and the impacts should be acknowledged, it would be impossible to co-ordinate a genuine regional process for people in these areas from Australia*”, CSIRO Research Fellow, Dr Fiona Solomon wrote.<sup>8</sup>

At this stage there is no proposed process to ensure the views of mine-affected communities in countries such as PNG and Indonesia are considered.

Bob Burton

<sup>1</sup> IIED, “What is MMSD”, www.iied.org, undated

<sup>2</sup> Assurance Group, Minutes of first meeting 21-23 May 2000, www.iied.org, page 1.

<sup>3</sup> IIED, “What is MMSD doing?”, www.iied.org, undated.

<sup>4</sup> IIED, “Sponsoring Group”, www.iied.org, undated.

<sup>5</sup> Ibid.

<sup>6</sup> IIED, Assurance Group of the MMSD Charter – 2nd draft”, undated, www.iied.org

<sup>7</sup> Letter to IIED from Stephen D’Esposito, Mineral Policy Center, Washington D.C, Alan Young, Mining Watch Canada, Geoff Evans, Mineral Policy Institute, Australia, Geoff Nettleton, Indigenous Peoples Links, England, 2 August 2000.

<sup>8</sup> CSIRO Minerals Division, *Mining, Minerals and Sustainable Development (MMSD) Project, Regional Information Sheet Two*, 16 August 2000.



# REPORT DAMNS OIL GIANTS WHILE AUST TRAINS REGIME

A leaked cable to the Australian Government from the new Australian Ambassador to Burma, Trevor Wilson, reveals that he warned that the military regime is “determined to remain in power at all cost, allowing only marginal reforms in the economy and society”.<sup>1</sup> Despite Wilson’s warning the Australian government is pressing ahead with a controversial human rights training program for Burmese government officials.

The training program coincides with the release of a report, *Total Denial Continues* by US human rights group, EarthRights International (ERI), which documents human rights abuses associated with the construction of two gas pipelines through Burma. The Yetagun and Yadana pipeline projects involve Premier Oil from the UK, Petronas from Malaysia, Nippon Oil from Japan, the Petroleum Authority of Thailand Exploration and Production (PTTEP), Total of France and the US-based Unocal.

In its report, based on hundreds of interviews inside Burma and Thailand, ERI reports that while less socially and environmentally disruptive routes for the pipeline existed, the military insisted on the current route for security reasons. Once the route was selected, the report says, “the regime created a highly militarised pipeline corridor in what had previously been a relatively peaceful area.”<sup>2</sup>

The 35,000 villagers affected by the pipelines, ERI says, are at the mercy of the whims of military providing security along the pipelines. “For almost a decade”, the report says, “the Burmese army has been living off the local people, shooting their livestock, stealing their crops, destroying their farms. Villagers have had to pay steady streams of fees to corrupt Burmese officers to avoid doing forced labor”.

ERI is adamant that the companies cannot avoid responsibility for the abuses associated with the projects. “The abuses are not incidental or unrelated to the pipe-



The heliport at this Total pipeline station was built with forced labor. Photo:ERI

lines—they are a direct result of Western companies’ investment”, it argues. The report recommends the companies involved “withdraw immediately” from the projects. One Total executive cited in the report endorsed military action in the area. “Unless the area is pacified, the pipeline won’t last for its thirty-year period”, he said in 1996.

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*“We’re very, very proud of what we’ve accomplished there”*

*Barry Lane  
Unocal*

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Unocal was unmoved by a protest outside its office coinciding with the release of Total Denial. “The evidence we see is that there’s been an improvement in the way people live there. In fact the population has been increasing”, Unocal’s spokesman Barry Lane said. “We’re very, very proud of what we’ve accomplished there”, he said.<sup>3</sup>

ERI dismisses the claims of innocence by the oil companies. “Through unfathomable callousness or greed, they justify their presence with claims that they are actually helping the Burmese people.”

*“Companies such as Premier, Unocal, and Total put the Universal Declaration of Human Rights on their websites; they speak of multi-party stakeholder processes; and they attempt to join the international humanitarian community. Meanwhile, their*

*business partners in the Burmese military torture villagers, force them to build helipads and pipeline infrastructure, and then steal what little the villagers are able to salvage for themselves.”<sup>4</sup>*

While ERI recommends that “governments ... should not do business with Burma”, it is a call that has fallen on deaf ears in Australia. Prior to the announcement of the human rights training program, the government prepared a ‘Government Members Budget Briefing Kit’. It suggested that backbenchers explain to anyone inquiring that the aid would be for “middle ranking key civil servants from key Ministries such as Foreign Affairs, Home Affairs and Attorney General’s” and not military or police officers.<sup>9</sup>

The Director of the Sydney based Burma Office, Dr Myint Cho, told *MM* that he fails to see anything useful coming from the program. “Most of the officials from the departments are former military personnel. If they think this will change the situation inside Burma they must prove that now by stopping human rights abuses ... which is pushing refugees to the Thai-Burma border”, he said.

In a video address to Australian politicians smuggled out of Burma last year, Aung San Suu Kyi criticised Australia’s relationship with the regime. “Sometimes we are a little concerned that the policies of the Australian Government may not be such that would hasten the process of democratisation in Burma”, she said.

*Bob Burton*

<sup>1</sup> Paul Daley, “PM warned on Burma”, *The Age*, 24 August 2000, page 1.

<sup>2</sup> EarthRights International, *Total Denial*, EarthRights International, www.earthrights.org, May 2000, page 3.

<sup>3</sup> “Group calls for 3 oil companies to leave Myanmar”, *Reuters*, 23 May 2000.

<sup>4</sup> EarthRights International, page 3.

<sup>5</sup> *Ibid*, page 4.

<sup>6</sup> “Government members budget briefing kit: possible questions and answers”, unpublished memo, April 2000, page 8.



# FREEPORT SUED OVER AUDIT

At a preliminary hearing of a legal action by the Indonesian Forum for the Environment WALHI (Friends of the Earth Indonesia) against PT Freeport Indonesia, the court was asked to direct the company to run a major advertising campaign correcting information about the Lake Wanagon accident on 5 May at the Freeport mine in West Papua (see *MM* July 2000).

WALHI's legal representatives told Judge Lalu the company breached the 1997 Law on Environmental Management, which requires companies to provide accurate information on their environmental management practices. WALHI told the court that Freeport's claims that their early warning system worked and that the accident was caused by high rainfall were inaccurate and had to be corrected.<sup>1</sup>

WALHI lawyers told the court that villagers only escaped the flood caused by the accident by the sound of the oncoming water, not the early warning system. "The early warning system only sounded around 30 minutes after the flood had reached the village," the lawyers told the court.<sup>2</sup>

WALHI criticised Freeport for issuing a media release which implied that the Wanagon accident had been the result of natural causes. Rio Tinto, a major shareholder in PT Freeport Indonesia, sought to downplay the accident. Rio Tinto Chairman, Sir Robert Wilson, told the company's annual general meeting in London the accident could not have been anticipated.<sup>3</sup>

"An environmental report by Freeport had said that Wanagon Lake was prone to accidents. This did not stop the defendant from dumping huge amounts of overburden in the lake. Therefore, the defendant knowingly and deliberately increased the risk of accidents," WALHI's lawyer said. A Freeport consultant's report attributed a 1998 waste rock dump collapse to the rate of dumping not to rainfall effects, they said.

WALHI's lawsuit also alleges that the environmental audit report prepared by US consulting firm Montgomery Watson (MW) for PT Freeport, released in late December 1999, was not properly conducted.



The Wanagon disaster narrowly missed Banti village. Photo: WALHI

The MW audit report defends the dumping of tailings in the local river and supports Freeport's lobbying campaign to gain exemptions from Indonesia's new environmental standards. The report claimed the Environmental Management System (EMS) used by PTFI "to be exemplary and a showcase for the mining industry".

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*"The contract should be respected because it is in the interests of Indonesia..."*

Henry Kissinger  
Freeport Director

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MW states, however, the audit was only a technical review and "did not include social, cultural or economic impacts".<sup>4</sup> MW claims that PTFI "is in material compliance with current Indonesian government environmental laws and regulations".

However, the report backs attempts by PT Freeport to gain exemptions from current legislation for nitrogen dioxide emission standards for Freeport's diesel power plant and the tailings from being classified as hazardous waste under what is known as the B3 regulations. MW claims exempting the tailings "is very important to the PTFI operations and believes that, for technical and environmental reasons, the exemption should be granted".<sup>5</sup>

MW defend the dumping of tailings into the river system as "the best alternative when considering important geotechnical, topographic, climatologic, seismic and water quality criteria". It is, it claims,

*"the best technology for tailings management given the conditions at the site"*.

The release of the report in December 1999, complete with full page newspaper advertisements, stirred controversy. State Minister for Environment, Sonny Keraf complained that the audit report had "irregularities" that the company had not explained adequately to him and suggested the audit should be re-done.<sup>6</sup>

Others argued the contract with Freeport should be cancelled or renegotiated. This prospect prompted a lobbying blitz by Freeport. Former US Secretary of State and Director of PT Freeport's parent company, Henry Kissinger, flew in to lobby the Indonesian President, Abdurrahman Wahid, to honour the contract. "The contract should be respected because it is in the interests of Indonesia since you want investment from all over the world", Kissinger told journalists.<sup>7</sup>

Releasing the MW report, Freeport announced in its media release that the MW "audit team was accompanied by ... two representatives of the World Wildlife Fund, who participated in the audit site visit as formal observers".<sup>8</sup> WWF has not yet commented on the report.

The hearing was adjourned until September 13, when Freeport's lawyers will submit its responses to WALHI's action.

Bob Burton

<sup>1</sup> "Walhi demands Freeport apologize for misleading info", *The Jakarta Post*, 22 August 2000.

<sup>2</sup> *ibid*

<sup>3</sup> Louise Robson, "Rio Tinto announces probe into Irian Jaya accident", *AAP*, 10 May 2000.

<sup>4</sup> Montgomery Watson Indonesia, 1999 *External Environmental Audit PT Freeport Indonesia Operations, Executive Summary*, PT Freeport Indonesia, December 1999, www.fcx.com, page 2.

<sup>5</sup> *Ibid*, page 26.

<sup>6</sup> "Amdal on Freeport examined", *The Jakarta Post*, 11 February 2000, page 2.

<sup>7</sup> "Kissinger calls on RI to honour Freeport deal", *The Jakarta Post*, 29 February 2000, page 1.

<sup>8</sup> Freeport McMoRan, "Freeport McMoRan copper and gold announces results of independent environmental audit: *Audit Finds PTFI Environmental Management System 'Exemplary and a Showcase for the Mining Industry'*", Media Release, www.fcx.com, 22 December 1999.





# NSR BACKS OCEAN DUMPING

Natural Systems Resources (NSR) Environmental Consultants Ltd, a Melbourne-based consultancy turning over millions of dollars and employing over twenty people, is often called on by mining companies for advice on controversial projects.

Over a period of 26 years NSR has worked on more than 400 projects, advising clients on projects as diverse as a woodchip plant, the Tasmanian Hydro Electric Commission's proposed Franklin River dam, BHP's Ok Tedi mine, a gas project in Burma and the Esmeralda disaster in Romania.

NSR has carved out a niche working on mining projects involving the dumping of tailings into rivers and oceans. Since 1982 NSR has advised companies on 24 ocean disposal projects which have been clustered in just eight countries – Papua New Guinea (4), Chile (1), Fiji (1), the Philippines (3), New Caledonia (4), Indonesia (6), the Solomon Islands (1), and Canada (1).

NSR goes beyond scientific advice to corporate PR work. In a promotional brochure NSR boasts that it “provides advocacy support and strategic advice to clients and offers environmental services for the planning and permitting of new resource development projects, principally for the mining and petroleum industries”.<sup>1</sup>

When BHP was desperately seeking to defeat legal action by PNG landowners over the impact of tailings dumped in the Fly River, NSR was hired to provide assistance. NSR also advised Placer Pacific on river dumping of tailings in the Strickland River from the Porgera mine.<sup>2</sup>

When NSR was contracted by Minorco Services to advise on the proposed Weda Bay Nickel Project on Halmahera Island in Indonesia's Maluku province in 1998 it advised on the ocean disposal of mine wastes as well as on “non-technical issues i.e., permitting/public opinion/NGOs”.<sup>3</sup>

While the international community was working to isolate the Burmese military regime, in 1994 NSR was working for US oil giant Unocal to prepare a “pipeline route analysis” on the controversial



NSR advised Unocal on the controversial Yandana gas pipeline in Burma.  
Photo: EarthRights International

Yandana gas project pipeline.<sup>4</sup>

When Placer Pacific was seeking Fijian government approval for the Namoisi project, NSR was brought in to do presentations on ocean disposal of mine wastes to government officials.<sup>5</sup> To assist it with its lobbying efforts NSR has prepared an “introductory video” on ocean disposal of mine wastes in English, French, Indonesian and “other languages as required”.

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*“it [an interview] is not something that I think we can oblige you with unfortunately”*

*Alistair Sharp-Paul  
NSR*

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NSR has advised governments on mining regulations and policy. In Ghana NSR was hired between 1989 and 1993 to advise the Minerals Commission of Ghana on environmental regulations for new mines, as well as environmental impact assessment at 11 operating mines and advanced prospects.<sup>6</sup>

NSR was also hired in 1999 by the Philippine Department of Environment and Natural Resources to provide advice “to the Mines and Geosciences Bureau on the formulation of a DSTP policy for the Philippines”.<sup>7</sup>

Two years earlier, Western Mining Corporation (WMC) had hired NSR to advise it

of the prospects of ocean disposal of mine wastes being used at WMC's controversial Tampakan project and the implications on this of the 1972 London Dumping Convention.<sup>8</sup>

When it came to the Simberi Gold Project on Simberi Island, New Ireland Province in PNG, NSR was hired by the US-based Kennecott Corporation to advise on ocean disposal of tailings. Between 1988-91 and again in 1996-97 NSR was advising the joint venture on ocean disposal of mine wastes and other environmental and social issues. In 1999 NSR was called in once more to advise on how the project could qualify for financing by the US funded International Finance Corporation.<sup>9</sup>

In 1999 NSR was hired by Rio Tinto to provide advice on how to maintain access to a potential orebody, the Palu gold prospect in central Sulawesi Province, that was located within a Forest Park. According to NSR it “developed an investigation program including consultation with government and non-government organisations”. Rio Tinto hired NSR the year before to evaluate environmental issues in reopening the Bougainville copper mine.<sup>10</sup>

On several occasions *Mining Monitor* sought an interview with NSR Director, Alistair Sharp-Paul, who declined. “I have given this matter some thought and it [an interview] is not something that I think we can oblige you with unfortunately, so sorry about that, so there it is”, he told *MM*.

*Bob Burton*

<sup>1</sup> Natural Systems Resources Environmental Consultants Ltd (NSR), *Oil and Gas Project Listing*, www.nserv.com.au, 15 November 1999, page 3.

<sup>2</sup> NSR, *Mining in High Rainfall Tropical environments: Project Listing*, www.nserv.com.au, 15 November 1999, page 9.

<sup>3</sup> NSR, *Mining: Deep Sea Tailing Placement (DSTP) Project Listing*, www.nserv.com.au, undated.

<sup>4</sup> NSR, *Oil and Gas: Project Listing*, op cit, page 3.

<sup>5</sup> NSR, *Deep Sea Tailing Placement: Project Listing*, op cit, page 1.

<sup>6</sup> NSR, *Mining in High Rainfall Tropical environments: Project Listing*, op cit, page 3.

<sup>7</sup> NSR, *Deep Sea Tailing Placement: Project Listing*, op cit, page 5.

<sup>8</sup> *Ibid*.



# RISK OF "TOTAL COLLAPSE" OF FISHERIES, BHP WARNED

A review by an international group of experts has delivered scathing criticisms of reports commissioned by BHP/Ok Tedi Mining Ltd (OTML) on the options for dealing with the problems associated with the Ok Tedi mine. The review, undertaken by five international scientists, known as the Peer Review Group (PRG), was completed in April but passed unnoticed until recently.

The PRG report warns that the extent of the forest die-back due to tailings damage is likely to be far greater than the 1400 square kilometres previously considered the upper estimate. The PRG indicates that forest dieback is now "likely to spread further, possibly exceeding 2,000 km<sup>2</sup>".<sup>1</sup>

"The consequences of forest dieback ... are not dealt with appropriately and .. a far more positive outcome is suggested than is likely", they wrote.<sup>2</sup> They also take earlier reports to task for down-playing the magnitude of some impacts. "There are several statements in the Executive Summary (as well as later in the text) concerning the eventual state of the terrestrial vegetation that are incorrect and likely to be misleading to readers who are non-scientists", they wrote.

"These statements may convey the impression that after mine closure the vegetation will eventually revert to the pre-mine state, and/or that replacement of one vegetation type by another that is functioning normally, represents a new state of acceptable normality in the system", they warned.<sup>3</sup>



Fisheries downstream of the mine may collapse. Photo: PNG Chamber of Mines.

The PRG warns that the outlook for the Fly River fisheries is grim. "There are very few fish to be found in the Lower Ok Tedi (an approximate 90% decrease in fisheries biomass). In the middle Fly River, there has been an approximate 75% decrease in fisheries biomass and some species are no longer found in this stretch of the river. Further decreases and possibly even a total collapse of the fishery are possible...", they wrote.<sup>4</sup>

*"Further decreases and possibly even a total collapse of the fishery are possible..."*

*Peer Review Group*

The PRG also warns that the potential development of acid mine drainage (AMD) could be fatal to the remaining fish life. "The other major threat to the fisheries"

they state, is AMD "that, if it occurs on more than a localised basis, has the potential to totally eradicate the fisheries either through direct toxicity or indirectly by toxicity to sensitive food chain components".<sup>5</sup> They also warn the risk of AMD "is not resolved and is essentially not considered in the Detailed Level Risk Assessment (DLRA)". Resolving how to prevent AMD and a better understanding of the reasons for the decline in fisheries, they state "may provide insights into how to ameliorate this or at least prevent a catastrophic collapse".

Even worse is "the risk to humans is poorly examined given that the DLRA is a human, not just an ecological risk assessment".<sup>6</sup>

Taken together with the World Bank report into the Ok Tedi mine, the outlook for the environment and people in the Fly River is bleak. Both reports show there is an urgent need for BHP to commit to the people and environment of PNG's western province for as long as the damage caused by its mine lasts, which the PRG states is at least decades.

*Simon Divecha*

<sup>1</sup> Environment Peer Review Group (PRG), *Comments on key issues and review comments on the final human and ecological risk assessment documents*, Ok Tedi Mining Limited, www.oktedi.com, April 2000, page 5.

<sup>2</sup> Ibid, page 17.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid, page 14.

<sup>5</sup> Ibid, page 19.

<sup>6</sup> Ibid, page 13.

## BHP PULLS PLUG ON SUMBA EXPLORATION

BHP has withdrawn from a gold exploration program in Wanggameti Forest on Sumba Island Indonesia after strong local opposition. In September 1998, after BHP began its exploration program, villagers from 10 local tribes issued a letter of protest to BHP rejecting its presence. The local people, who raise livestock and harvest medicines from the forest, gathered support from other local groups and national NGO groups.<sup>1</sup>

<sup>1</sup> Minggu Umbuzasa, "The downfall of the gold mines regime at Wanggameti", *Kerebok*, JATAM, Volume 1, Number 3, July 2000.



# IT'S TIME FOR 'UNCIVIL' SOCIETY TO ACT

*The debate on the effects of globalisation on the poor and the global environment is heating up. Nicola Bullard from Focus on the Global South, argues for a broader strategy than simply adding social and environmental clauses to the World Trade Organisation (WTO) trade rules.*

When thousands of peaceful protestors shut down the WTO meeting in Seattle last year, the rich and the powerful realised that they had a problem. Not only were the dissenting voices getting louder and better organised, but even some of the formerly consenting voices were being raised in anger. Something had to be done, and quickly.

There were a number of reactions to the problem. Many, including US President Bill Clinton and Klaus Schwab, president of the World Economic Forum and the inspiration behind the annual gathering of the global elite in Davos, talked about 'engaging civil society'. Others, such as WTO director general Mike Moore talked about 'globophobia' – fear of globalisation – a state which can apparently be cured by a steady stream of good news about the benefits of trade liberalisation and growth.

But there has also been some harsh criticism of civil society, and of NGOs in particular. This comes from all quarters, including politicians and the media. Amongst their charges they accuse the protestors of working against the interests of the poor, imposing a 'northern' agenda on the south, and even of undermining the legitimacy of elected Third World governments.

The effect (and perhaps the intention) of these contradictory reactions is clear: to split civil society into 'good' and 'bad', 'civil' and 'uncivil'. The 'good' are those who accept the overall direction of globalisation (with a few adjustments here and there, such as environmental and labour clauses in trade agreements) and be-



*Protests against globalisation have spread from Seattle meeting of the WTO to the Asian Development Bank meeting in Chang Mai, Thailand. Photo: Timo Kuronen.*

have nicely when they are invited to meet with the rich and powerful. The 'bad' ones are those who don't. And by manipulating the divisions within civil society (which do exist, of course) they aim to

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*“Do we act as filters  
and interpreters of other  
peoples' voices ...?”*

---

marginalise and discredit those who fundamentally disagree with the current allocation of economic and political power.

According to these critics, NGOs (by which they mean the critics of globalisation, not the Red Cross) are anti-growth, unrepresentative, undemocratic, anti-poor, anti-market, narrow-minded, ill-informed, black-hooded property destroying anarchists (or some combination thereof).

One or two these claims we should take seriously. Many of us work for non-government organisations and we should question the role and the position that we have assumed for ourselves: Who do we represent? What are our interests? To whom are we accountable? Are we simply perpetuating the dominant system by playing out the roles assigned to us? Do we act as filters and interpreters of other peoples'

voices, and in so doing, stop those voices from being heard in their authentic language? Are we willing to give up our privileged positions and declare whose side we are on? But for the most part, the accusations against NGOs are nothing more than an attempt to discredit the critics and to shift the spotlight away from corporations and governments that have failed (spectacularly!) to answer these same questions.

### **The many voices of civil society**

Civil society does not have one voice: they are many and diverse but in some instances a single voice dominates the debate. A good example of this is the issue of labour rights clauses in the WTO. The International Confederation of Free Trade Unions (ICFTU) and the American Confederation of Labour-Congress of Industrial Organisations (AFL-CIO) are at the forefront of a campaign to insert core labour rights into the WTO regime. They argue that this will protect workers and stop the 'race to the bottom.'

At first glance this seems like a good idea because no-one would disagree that workers' rights must be protected and promoted. But a second, more critical, look shows that the strategy is deeply flawed in a number of ways.

First, by pursuing this objective through the WTO, the ICFTU is conferring legitimacy

# FORUM: GLOBALISATION

both on the international economic system which — at every other turn — squeezes and exploits workers and on the institution which enforces the rules of the game. Second, it disregards the fact that many of the WTO agreements prohibit or restrict the power of national governments to implement policies which would potentially improve the conditions for the mass of workers. This is especially the case for workers in the agricultural sector who comprise 59 per cent of the workforce in the Third World. Finally, and perhaps most important, it completely ignores the decisive role of footloose capital in keeping wages low and pitting worker against worker.

While governments on both sides manipulate the debate to gain political mileage, organised labour is using the 'core labour standards' campaign to protect its own interests by playing into the fears of First World workers that their jobs are threatened by cheaper Third World labour. But the ICFTU represents a tiny proportion of the world's workers, partly because it does not include 'non-free' unions from countries such as China and, of course, because the vast majority of workers have no opportunity to organise or form unions.

We cannot expect it to find the solution to unemployment in the South, nor to speak for the interests of all workers. However, the problems of work and workers go to the heart of what's wrong with globalisation and current models of development. We need to consider new strategies that will directly tackle the sources and causes of unemployment and exploitation of workers and, at the same time, find ways of mobilising all workers in solidarity.

The beginnings of an alternative approach exist. Some members of the AFL-CIO, such as the International Longshore and Warehouse Union, national unions such as the Korean Confederation of Trade Unions and organisations of predominantly Third World workers, such as the International Fishers Collective, see that there's a bigger struggle going on, over who controls the economies of developing countries, and what development program they can follow. These are the groups with whom we should be developing campaigns and strategies while at the same time trying to shift the policies and positions of the dominant labour organisations. Given the tremendous opportunities, challenges and risks ahead for civil society,



Chang Mai protest. Photo: Timo Kuronen

where do we begin? First, we need to know what we stand for (this is hard) and what we want (this is even harder!). We have to make sure that we organise ourselves in ways that embody the values we are fighting for: we must be tolerant, democratic, open and transparent in our dealings, and prepared to be accountable for what we say and do.

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*Corporations and the state need ... us to vote for them, to buy their products, to pay our taxes, in short, to 'play the game'.*

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We must be committed to education, to sharing power and to mobilising our forces for political action, and we must be prepared for the consequences of that (for example, the Greens in Germany have shown that the road from political movement to political party to politician is indeed rocky).

But, most importantly, we must acknowledge that we are involved in a struggle over power and ideas. Corporations and the state need our endorsement; they need us to vote for them, to buy their products, to pay our taxes, in short, to 'play the game'.

In the past four or five years some tremendously important mass movements and social organisations have emerged which are rooted in a thoroughgoing and sharp critique of the human and environmental destructiveness of neo-liberalism. They include the National Alliance of Peoples Movements in India and the Forum of the Poor in Thailand.

These mass organisations are also part of civil society, but they are the part that keeps the corporate executives and politicians awake at night because they are the voice of the people. They reject the status quo,

they do not think that globalisation can be given a 'human face' and they do not believe that simply linking labour and environmental clauses to the WTO will solve the problems of jobless growth, mass unemployment and poverty, insecurity and environmental devastation.

## Accommodation or alternatives?

After Seattle, the system is looking very shaky: the WTO and the International Monetary Fund are in crisis, the EU-US are squabbling over trade and who gets to be boss of what, and no one dares think about what will happen when the Wall Street bubble bursts. The Good Ship Globalisation is sailing in rough and uncharted seas.

Meanwhile, civil society is being courted by the international institutions, the UN agencies and governments and even by corporations, all of them are hoping to shore up support for their agenda. Certain groups in civil society will always support the establishment, and others will find an accommodation.

However, for many millions of people it is not a question of finding an accommodation, it is a question of finding an alternative. This will not happen through wishful thinking or moral virtue. What we need is a political program and a political strategy.

Civil society is political and we are part of that politics. If we really want things to change, we have to start by breaking the old rules, and by being a lot more 'uncivil.'



Nicola Bullard

Nicola Bullard is the deputy director of Focus on the Global South, an international non-government policy research and advocacy organisation based in Bangkok, Thailand.

An extended version of this article was published in "Focus on Trade", a regular electronic bulletin on world trade and finance, in March 2000. You can subscribe to "Focus on Trade" via [www.focusweb.org](http://www.focusweb.org).





# MINERS \$7m COMPLIMENT

The simple fact that 27 of the world's largest mining companies felt the need to launch the \$7 million Global Mining Initiative (GMI) is a compliment to the efforts of MPI and other organisations in mobilising concern about the impacts of mining.

The GMI project is driven by the industry's concern about its "bad press" regarding its environmental and human rights record, and its desperation to counter its waning appeal to the finance sector in the emerging era of "ethical investment" and "new economy".

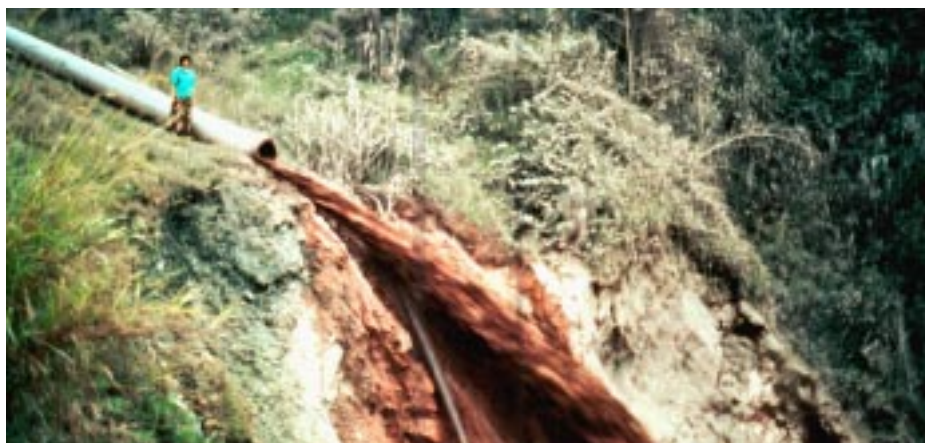
While it is encouraging to see the industry responding to community pressure, we are quite sceptical about the project. Like so many industry-driven processes, it shows all the hallmarks of being just the latest attempt to make minor concessions then proclaim "sustainability".

The process raises critical issues for communities adversely impacted by mining, and environmental justice organisations that support them, about whether, how, on what issues we should be involved?

Luke Danielson, the manager of the project in International Institute for Environment and Development (IIED) recently visited Australia and met with MPI staff. Before the meeting MPI consulted broadly with partner organisations throughout the Australasian region. We told Danielsens that the flawed process and the likelihood of little progress on major issues led us to believe that while a watching brief will be maintained, the MMSD process should not be a major focus for community organisations.

We expect that, despite the flawed process, some organisations may decide to participate in the process. MPI has taken the view that it is important to maximise dialogue and coordination among Australian environment and human rights NGOs regarding the issues involved.

We have insisted that the project, if it is to have any credibility, must engage with critics in PNG, Indonesia, and the Philippines. We believe that unless those who do engage actively consult with, and are accountable to, affected communities and the



*The industry doesn't have to wait several years to know it should stop dumping tailings in rivers, such as at Placer's Porgera mine in PNG. Photo: Phil Shearman.*

movement, they can have little legitimacy in or outside the process.

MPI, along with other international partners NGOs, has sent a letter to the IIED-based project managers of MMSD, saying the project should be identified solely as an industry-managed research project, and not purport to be anything more, and certainly not include implementation of any

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*"the flaws in the process gave us little reason to believe serious input from community organisations is warranted"*

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recommendations (which MMSD says should all be voluntary only).

We have also told them there is no reason why the industry could not demonstrate its bona fides by taking some immediate steps on current issues such as:

- cease dumping tailings in rivers and developing new mines with ocean disposal of wastes;
- cease mining and exploration in national parks and other protected areas;
- end involvement with corrupt and repressive regimes;

- cease advocating the weakening of environmental regulations (eg greenhouse), labour rights and indigenous rights as they currently do through both the direct advocacy of individual companies, as well as through industry associations such as the Minerals Council of Australia;

- support workers' rights to collectively bargain through independent trade unions;

- commit to mineral resource conservation measures (which would reduce mineral demand and the need for new mines) rather than promoting increased production and resource consumption.

If the industry can not take any steps in these directions now, there is little reason why we should believe our concerns will be any further advanced by the end of a lowest common denominator process.

MPI and our partners have made it clear that we will put our scarce resources where we can have the greatest impact. The Global Mining Initiative, and its subsidiary processes, seems unlikely to help achieve more effective regulation and accountability of mining corporations.

It is far better, we think, to identify our own visions and strategies for the future of the minerals industry



*Geoff Evans,  
Director.*



# TAILINGS

## ENGLAND

### RIO'S WHITE FLAG ON CAPPER PASS

On June 1, lawyers representing Rio Tinto notified the solicitor for the Transport and General Workers Union (TGWU) that the company would not contest the issue of negligence for the health impacts of pollution from the Capper Pass tin smelter.

For almost two decades the company denied that it had any legal liability or any responsibility whatsoever for Capper Pass. The TGWU's law firm had prepared a report documenting over 400 cases of contamination by the smelter. The report argues that cases of cancer among workers — who were not properly protected from exposure to lead, arsenic, cadmium and radioactive substances — was "staggeringly high". The report, which was to be released on June 5 — the week after RioTinto offered to settle — may be required under the terms of the settlement never to be publicly released.

*"I feel a great sense of tragedy rather than triumph in that so many people have suffered, particularly young children. But there is no doubt about it — it's a massive step forward and a real breakthrough,"* said local campaigner Rilba Jones, explaining the community's response to the news of RioTinto's concession. It is proposed that compensation be paid by RioTinto on the merits of each case under *"mutually agreed procedure"*.

RioTinto acquired the smelter in 1967, and produced between 100,000 and 120,000 tonnes per year, almost 15% of the West's tin. Many of the by-products were discharged into the Humber River and the East Yorkshire air, including radioactive, carcinogenic and other toxic substances, such as arsenic.

The Capper Pass Tin Smelter was closed in 1991, "decommissioned" meaning cleaned-up and deconstructed in 1995, and then sold by RioTinto to a "third party". The site, however, still remains contaminated.<sup>1</sup>

*Project Underground*

<sup>1</sup> This is a condensed version of Project Underground, "Victory against Rio Tinto for poisoned people of Hull England", *Drillbits and Tailings*, Volume 5, Number 12, July 20, 2000, [www.moles.org](http://www.moles.org)

## CZECHOSLOVAKIA

### CYANIDE BAN BILL CLEARS HURDLE

In mid August the Czech Senate passed an amendment to the government's Geology Bill which will ban the use of cyanide heap leaching technology by the gold mining industry. Friends of the Earth in Czechoslovakia described the passing of the amendment as *"the last nail to the coffin of the gold mining projects"* in the country.<sup>1</sup>

Cyanide heap leach technology involves spraying cyanide solution over heaps of ore and tapping the dissolved gold solution from the base of the heap. Heap leach technology became the main large scale technology in the 1980s for developing lower grade ore bodies and reprocessing old tailings dumps.

The amendment to ban cyanide heap leaching ban followed a strong campaign by local communities and Friends of the Earth against the Mokrsko project owned by Rio Tinto and the Kasperske Hory project owned by the US company TVX Gold.

The amendments gained support from the Senate as well as the Minister of Environment, Milos Kuzvart, who was the sponsor of the original bill. *"The law marks the last step in several years long controversy over gold mining projects in the Czech Republic"*, Friends of the Earth mining campaigner, Vojtech Kotecky, said.

<sup>1</sup> Friends of the Earth, "Czechs ban cyanide mining", *Media Release*, 10 August 2000

## CANADA

### TAKU MINE STALLS

A proposed gold, silver and copper mine in British Columbia has been stalled after a BC Supreme Court ruling that the provincial government's approval of the project breached the rules of procedural fairness by ignoring the views of the Tlingit First Nation indigenous people.<sup>1</sup>

The proposed mine near the Taku River, the largest salmon producing river in Southeast Alaska, was approved by the provincial government in March 1998 with construction work scheduled for the current northern hemisphere summer. The Taku catchment in northwestern BC covers 18,000 square kilometres of roadless wild country.

Redfern Resources, a Vancouver-based company, planned to build a 160-kilometre road to the site of a the mine, which had been previously abandoned in 1957.

The proposed mine was opposed by Tlingit First Nation who launched its legal action against the provincial government in February 1999, on the grounds that its views had not been adequately considered before the mine was approved. The proposed road would traverse its traditional lands and, it argued, would adversely affect the hunting and fishing rights of the indigenous people.



*The Taku River. Photo: Taku Coalition.*

A broad coalition of Canadian and United States environmental groups — the Sierra Club, the Sierra Legal Defense Fund, BC Wild, and the David Suzuki Foundation — opposed the project as did the Governor of adjoining state of Alaska.

Earlier in the campaign the Environmental Mining Council of British Columbia released a report that challenged the economic viability of the project. *"The gap between Redfern's projections and the real costs of mining the Tulsequah Chief are substantial, and in our opinion, raise serious questions about the long term economic viability of this project"*, the council's executive director Alan Young said.

<sup>1</sup> "British Columbia Judge Blocks Mine on Prime Alaskan Salmon River", *Environment News Service*, 30 June 2000, <http://ens.lycos.com>.

## MPI WEBSITE

Whether it is back copies of *Mining Monitor*, copies of MPI reports or updates on latest projects drop in to the MPI website [www.mpi.org.au](http://www.mpi.org.au)

# TAILINGS

## RIO THROWS DIAMOND TANTRUM

The Diavik diamond project 300 kilometres north of Yellowknife in Canada's North West Territories, managed and majority owned by a Rio Tinto subsidiary, has been fined in court and is the centre of controversy over its water licences.

The project is a joint venture between Diavik Diamond Mines Inc. (DDMI), a Rio Tinto subsidiary with a 60% interest, and Toronto based Aber Diamond Mines Ltd.

In late July 2000 Diavik Diamond Mines (DDMI), was fined \$3,000 after pleading guilty to proceeding with work on a quarry without having a final permit for the work.<sup>1</sup> DDMI has also been criticised for its approach to obtaining regulatory approvals for water.

DDMI had a water licence, known as a Type B licence, that capped the amount of water the project could take for use for dust suppression. In September 1999 DDMI applied for a Type A licence which, as it allows much greater volumes of water to be extracted, has to go through a process of hearings and approval by the Minister for Indian Affairs.

At a meeting with the North West Territories (NWT) Water Board on 11 July to discuss the company's needs for a greater water volume it was suggested that company apply for an amendment to its Type B licence. It was a proposal that DDMI rejected.

Ten days later the President of DDMI, Stephen Prest, told a media conference that the company had suspended its mining operation and would be forced to stand down staff if the application for a Type A licence was not resolved within a month. "A Type B licence will not allow for the type of water consumption we need at this stage of the work at this site", he said.<sup>2</sup>

The chairman of the NWT Water Board, Gordon Wray, was bemused by DDMI's claims. "This is a squeeze play", Wray told local media.<sup>3</sup> "The media has been brought in as the sort of operating arm. If the end of July was so critical to your planning, why did you (they) wait until July 23 to tell any of us?" he said.

"The company has been doing this since the beginning," Wray said. "The land-use permit, they were going to pull out. The water licensing hearings, they were going to pull out. This company has not understood there is a process they have to go through, they just seem to want

to short-circuit it all the time", Wray said.

In mid-August the project was granted both an amended Type B licence and a Type A licence.

<sup>1</sup> Dawn Ostrem, "Court fines Diavik \$3,000: Company pleads guilty to land use violation", *Northern News Services*, 26 July 2000.

<sup>2</sup> Mike W. Bryant, "Diavik uses up water quota", *Northern News Services*, 26 July 2000.

<sup>3</sup> Mike W. Bryant, "Skirting the issue: Water board scolds Diavik's delay tactics", *Northern News Services*, 26 July 2000.

## BHP FACES FISHERIES CHARGES



BHP's Ektai diamond mine. Photo: BHP

BHP Diamonds is defending eight charges that its diamond mine in Canada's North West Territories breached fisheries legislation by damaging fish habitat in three lakes. The

charges were announced weeks after BHP CEO Paul Anderson claimed the mine "achieved the highest environmental standards".

The charges follow increased siltation of lakes as a result of BHP activities in the construction of a diversion channel. In its environmental assessment report BHP had claimed that there would be no damage to the lakes.

"We're suggesting that that amount of sediment being deposited in a small lake isn't a good thing for fish and fish eggs. We'll try and prove in court that it was substantial" Ron Allen, Department of Fisheries and Oceans area director said.<sup>1</sup> The charges relate to construction activities carried out between 1994 and 1997 with the maximum fines for each of the charges being \$C1 million.

BHP has downplayed the significance of the damage to fish habitat. "The diversion channel is three kilometres long and a few metres wide. There are in the order of 8,000 lakes on our claim block" Graham Nicholls said. The mine, he said, "is in the barren lands of northern Canada".<sup>2</sup> BHP has pleaded not guilty to the Fisheries Act charges and a preliminary hearing has been scheduled for 4-8 December.

<sup>1</sup> Richard Gleeson, "BHP in hot water: company faces eight charges under Fisheries Act", *Northern News Services*, 19 June 2000.

<sup>2</sup> Graham Nicholls, BHP Teleconference, Ekati diamond mine, Canada, 20 June 2000.

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# TAILINGS

## NIGERIA

### SHELL ORDERED TO PAY FOR OIL SPILL

A Nigerian court has ordered Shell to pay \$A60 million in compensation for a massive oil spill that occurred at the village of Ebubu in 1970 in Ogoniland.

The legal action was initiated nine years ago to gain fair compensation for a major oil spill that occurred during the Nigerian civil war. Shell claimed that it was not responsible, an argument rejected by the court.

Shell also claimed that it had already paid compensation for the oil damage to an area of mangroves. However, community leaders argue that any compensation paid by Shell was not to the representatives of the community.

Shell told *Reuters* that it would appeal against the decision and has requested a stay on the order to pay compensation.<sup>1</sup> Shell has not posted any information on the issue to its website.

<sup>1</sup> "Shell appeals Nigerian order on Ogoni oil spill", *Reuters*, 27 June 2000.



Mark Moody-Stewart. Photo: Shell.

*programme on sustainable energy. He and Dr. Cline, the public sector chair, will provide a strong partnership to lead the task force. I am confident that they will be able to achieve a great deal in time for Genoa," Blair said.*

It is an indication of the increasingly powerful role of corporations in framing policy. The core group for the project will consist only of representatives from business and government. To counter anticipated criticisms it has been proposed that other interested parties, include non-government organisations, developing countries and other energy experts will be "involved".

<sup>1</sup> "Shell Oil Chief Will Co-Chair Task Force on Renewable Energy", *Environment News Service*, 1 August 2000, www.ens.lycos.com

from some of the Democrats and some independents it is unlikely to gain the necessary support from either of the two major parties for it to pass.

*"Outside of Parliament, we are winning endorsements from a wide range of environment and community groups, including one fishing co-operative to date, and hopefully more to follow", a spokesperson for Rhiannon told MM.*

## WINDOWS UP

In the aftermath of tailings from an abandoned uranium mine in Kakadu National Park being washed onto a tourist road, Parks Australia is advising staff to drive with their windows up.

An internal report from the Office of the Supervising Scientist, obtained by ABC Radio, reported that tailings from the abandoned Rockhole were being washed into the South Alligator River and are mixing with dust on a tourist road.

*"We advised our staff in particular who drive up and down that road a number of times on any given day that it would be a useful precaution for them to wind their windows up and have the aircon on while they're driving down that part of the road", Peter Wellings from Parks Australia told ABC Radio.*

<sup>1</sup> Australian Broadcasting Corporation, "Kakadu mine waste washed into river: report", *ABC Radio*, 6 June 2000.



## G-8

### SHELL BOSS CO-CHAIRS RENEWABLE TASKFORCE

The Chairman of Shell, Sir Mark Moody-Stewart, has been appointed as the co-chair of the G8 taskforce on renewable energy at the urging of the British Prime Minister, Tony Blair.

The task force was created when the G8 met in Okinawa in July with the task of recommending to next year's meeting in the Italian city Genoa, "sound ways to better encourage the use of renewables in developing countries".

*"Sir Mark has extensive experience in this field, including through the Shell Foundation's*

## AUSTRALIA

### BILL TO BAN NEW CYANIDE MINES

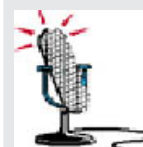
The New South Wales (NSW) Greens Member of the Legislative Council, Lee Rhiannon, has moved a private members bill to ban the use of cyanide in new gold mining projects.

The bill seeks to amend the NSW Mining Act of 1992 to require all new mining leases to contain a clause prohibiting the use of cyanide and cyanide mining processes. The six existing mines in NSW that use cyanide, including the controversial Timbarra mine, would be allowed to continue to the end of their mining lease.

The bill follows the launching of a campaign by the Rainforest Information Centre in Lismore to ban the use of cyanide in mining.

While the bill, which is unlikely to be debated until the first half of 2001, will gain support

## Something to say?



If you have a view why not write a letter to the editor (100-200 words) and send to:

- bburton@hydra.org.au; or
- PO Box 157 O'Connor, ACT, 2602, Australia).

The deadline for the next edition is 15th October 2000.



# RESOURCES

## REPORTS



### **Project Underground, *Newmont: Positioning Paradise*, May 2000, 24pp.**

Newmont is one of the focal points for community opposition to major mining projects in Indonesia, the Philippines, Peru and Nevada, USA. The report continues Project Underground's tradition for well-researched alternative reports on major US mining companies.

The report can be downloaded free from the Project Underground website at [www.moles.org](http://www.moles.org) or hard copies can be ordered from Project Underground, 1916A Martin Luther King Jr. Way, Berkeley CA 94704, USA for \$US7 including postage.



beyond petroleum

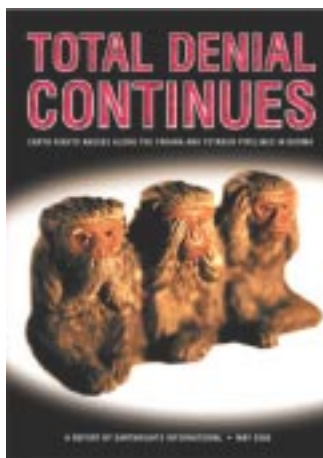
**Athan Manuel, *Green Words, Dirty Deeds: A PIRG Expose of BP Amoco's Greenwashing*, US Public Interest Research Group (PIRG) Education Fund, October 1999, [www.pirg.org](http://www.pirg.org).**

With BP launching twin page colour newspaper ads like the one above proclaiming "BP – Beyond Petroleum", this report from



PIRG shows a little of the other side of the story. While BP is touting itself as an environmentally responsible oil company it is simultaneously campaigning for oil and gas drilling in the Arctic Wildlife refuge in Alaska.

Copies of this report may be ordered by sending a cheque for \$US20 to US PIRG Education Fund, 218 D St., SE, Washington, DC 20003.



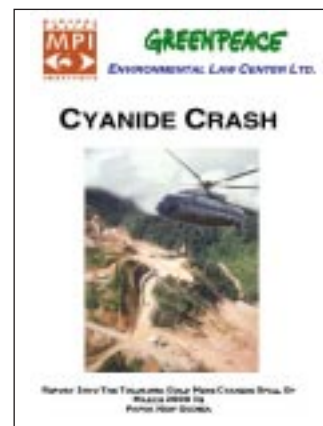
**Tyler Giannini, Katie Redford, Betsy Apple, Jed Greer, Marco Simons, *Total Denial Continues*, Earth Rights International, May 2000, 92pp.**

**Tyler R. Giannini, *A Decade of Foreign Investment in Burma: An Issue Paper of EarthRights International's Burma Project*, October 1999, EarthRights International, 9pp.**

These two painstakingly researched reports document the links between oil developments and human rights abuses in Burma. They are based on extensive on the ground fact-finding missions and interviews.

The two reports can be downloaded from the publications section of [www.eri.org](http://www.eri.org)

## MPI REPORTS



**Mineral Policy Institute, Greenpeace, and the Environmental Law Centre, *Cyanide Crash: report into the Tolukuma Gold Mine cyanide spill of March 2000 in Papua New Guinea*, 23pp.**

This is a detailed report on Tolukuma Gold Mines dropping a one-tonne pallet of cyanide pellets from its helicopter in Papua New Guinea. The report includes a chronology of the accident, the results of sampling undertaken at the spill site and some background information on other social and environmental issues associated with the mine. It is a useful case study.

The report is only available on the web, in either an Adobe Acrobat file or as text files from the MPI website ([www.mpi.org.au](http://www.mpi.org.au)) or the Greenpeace Australia website [www.greenpeace.org.au](http://www.greenpeace.org.au).

## MPI E-MAIL LIST

The Mineral Policy Institute invites you to join MineAction. MineAction is an e-mail discussion list on mining in Asia and the Pacific.

MineAction is open to everybody and will give groups and individuals in one country an easy way to share information on mining and its impacts with many others around the world.

It is easy (and free) to join using the internet at: <http://www.mpi.org.au/services/mineaction.html>

# NUGGETS

## PROTECT OIL COMPANIES BEFORE CLIMATE

"Greenhouse policy should be formulated so as to protect the competitiveness of refining," Caltex Australia Ltd managing director, Ian Blackburne, warned the Commonwealth Government. Caltex Australia is a joint venture company owned by multinational oil companies Chevron and Texaco Inc.

("Caltex warns on greenhouse measures", *Reuters*, 1 March 2000.)



## SANITY CHECK

"We have the cheapest coal in the world and we'd be mad not to use it", Queensland Premier, Peter Beattie, enthused about proposed new coal fired power stations.

(Ainsley Pavey, "Beattie gives nod to coal fired power station", *AAP*, 17 February 2000.)

## "SENSE OF WONDER" STOPS AT ARCTIC WILDLIFE REFUGE

"Many Alaskans are wondering why an oil company is giving \$1 million to an environmental group," said Phillips Alaska president Kevin Meyers. Meyers claimed the donation to the Nature Conservancy was because Phillips "shares a sense of wonder" about Alaska's wild lands. Others point to the controversy over the campaign by Phillips and other oil companies to open the Arctic Wildlife Refuge up for oil and gas drilling.

(Elizabeth Manning, "Alaska oil company gives conservancy \$1 million", *Scripps-McClatchy Western Service*, 11 July 2000.)

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