
Papua New Guinea: The power of mining corporations

Mining operations in Papua New Guinea (PNG) are part of the IMF backed policy which opens the country to foreign investments for the unsustainable export-driven exploitation of natural resources. The serious record of mining activities includes flooding of forests and homes caused by the dumping of waste rocks and levels of mercury in the Ajkwa river four-times higher than the maximum allowed of 0,001 mg/l (WRM bulletin 7, December 1997).

And now, once again, the power of big companies is being felt: mining-related legislation (the Ok Tedi Mine Continuation Act and the associated Community Mine Continuation Agreement) endorsed by the PNG government has caused an uproar in the environmental and human rights communities. They claim that this will enable BHP and Ok Tedi Mining (OTML) --a consortium led by Australia-based BHP Billiton-- to circumvent responsibility for environmental damages in the western province of PNG.

According to a summary provided by Slater and Gordon, an Australian law firm which has filed a lawsuit against the company, the agreements will give the consortium unrestricted legal indemnity for the pollution and destruction caused now and into the future by the operations of the Ok Tedi mine. OTML will have no obligation to stop tailings entering the river system in future, and will be permitted to increase the amount of copper it is currently permitted to dump into the river system.

The Mine Continuation Agreements will release BHP and OTML from any liability in the current Victorian Supreme Court proceedings in Australia. Landowners will also lose their common law rights to enforce a 1996 settlement as well as any future legal rights to sue OTML for any damage or environmental catastrophes.

The Supreme Court of Victoria, Australia, extended an interim injunction to block Ok Tedi Mining Ltd from signing landowners to Mine Continuation Agreements. The PNG government claims that 138 of the required 149 villages have already signed the agreements, but OTML is being accused of handpicking people to sign on behalf of their villages. The Mine Continuation Agreements signed by any member of a village with or without proper authority would be binding on other members of that village.

The Ok Tedi mine is seen as a national asset by Papua New Guinea's Prime Minister Sir Mekere Morauta and the government believes that closing the mine would devastate the national economy. The mine accounts for 10 percent of the country's gross national product and 20 percent of total exports. The decision taken therefore implies that the government considers that devastating the environment and local peoples' livelihoods is but a minor "cost" within the overall economy.

But those costs are huge. According to the Australian Conservation Foundation, nearly 70 kilometers of the Ok Tedi River has become "almost biologically dead," and 130 kilometers of riverbank have been "severely degraded." Fish stocks have declined between 50 and 80%, according to OTML's own internal report while some 30,000 downstream landowners have lost their ability to live off their own land. Additionally, an OTML scientific Peer Review Group identified the potential for a total

collapse of the fishery.

Gabia Gagarimabu, the South Fly Member of Parliament describes the decision taken by the government as a disgrace. "The Bill is typical of the way BHP has dictated terms to the PNG Government ever since it came to Papua New Guinea." As in elsewhere, the bill is proof of the power of transnational mining companies

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