

## How to really screw-up: The Ok Tedi case

This was a case in Papua New Guinea (PNG) where pollutants poisoned a river. The local people sued the mine owner, BHP.

The reasons for this disaster are complex. The original plans included an Environmental Impact Statement (done by an Australian Consultancy) that called for a tailings dam to be built near the mine. This would allow heavy metals and solid particles to settle, before releasing the clean 'high-water' into the river system where remaining contaminants would be diluted. But the plan was seriously flawed and in 1984 an earthquake (common in the area) caused the half built dam to collapse. Afterwards the company continued operations without any dam, initially because BHP argued that it would be too expensive to rebuild it. Subsequently, the cash-strapped PNG government decided a dam wasn't necessary, in the wake of the closure of the Panguna mine.



In 1999, BHP's CEO, Paul Andersonn admitted that the Ok Tedi Mine was "not compatible with our environmental values." The Asia Times interpreted this as an admission of "major environmental damage." The mine operators discharge 80 million tons of tailings, overburden and mine-induced erosion into the river system each year. The discharge caused widespread and diverse harm, both environmentally and socially, to the 50,000 people who live in the 120 villages downstream of the mine. Chemicals from the tailings killed or contaminated fish, however they are still edible by the people of the surrounding villages. The fish count does lower the closer to the mine. The dumping changed the riverbed, causing a relatively deep and slow river to become shallower and develop rapids thereby disrupting indigenous transportation routes. Flooding caused by the raised riverbed, left a thick layer of contaminated mud on the flood plain among plantations of taro, bananas and sago palm that are the staples of the local diet. About 1300 square kilometers were damaged in this way. Although the concentration of copper in the water is about 30 times above the standard level, it is still below the WHO standards.

But the seeds of conflict were sown before the mine even begun operations. Almost all of PNG's land is held under a complex system of native title, with ownership divided amongst a huge number of small clans, while the central government retains control over how resources that lie under the ground are used. The 2000 members of the clan that held ownership of the land on which the mine would be built were included in the formal negotiations. They received money, jobs, vocational training, and infrastructure (schools, health services, etc.). The indigenous communities who live downstream from the mine, however, were not consulted and received none of the benefits.

### Aftermath

In the 1990s the communities of the lower Fly Region, including the Yonggom people, sued BHP and received US\$28.6 million in an out-of-court settlement, which was the culmination of an enormous public-relations campaign against the company by environmental groups. As part of the settlement a (limited) dredging operation was put in place and efforts were made to rehabilitate the site around the mine. However the mine is still in operation and waste continues to flow into the river system. BHP was granted legal indemnity from future mine related damages.

In January 2007 PNG lawyer Camillus Narokobi lodged a lawsuit on behalf of 13,000 villagers known as the Ningerum people. He is seeking US\$4 billion in damages.

The Ok Tedi Mine is scheduled to close in 2012. Until that time two thirds of the profits go into a long-term fund to enable the mine to continue to contribute to the PNG economy for up to half a century after it closes. The balance is allocated to current development programs in the local area (Western Province) and PNG more generally. Experts have predicted that it will take 300 years to clean up the toxic contamination.

According to the owners of the Ok Tedi Mine, there have also been many positive social effects that have come from the mine. Because of all the new money pouring into the economy, the quality of the health care, schools and roads has greatly improved. This has also caused the average life expectancy for the indigenous people to increase.