

Misima Mines Ltd responds to island gold mine concerns

In issue 122 (page 4), *Ecos* reported on the concerns being raised by Australian-based mining watch group the Mineral Policy Institute (MPI) over handling of allegedly significant environmental and socio-political impacts arising during the closure of the gold mining operation on Misima Island off mainland Papua New Guinea, owned by Placer Dome (80%) and PNG-based Oil Search Ltd (20%). The operational joint venture company, Misima Mines Ltd, has refuted what it believes were false, unrepresentative assertions, and highlighted its case of a sound, fully inclusive, and standard-setting operational and closure process at the mine.

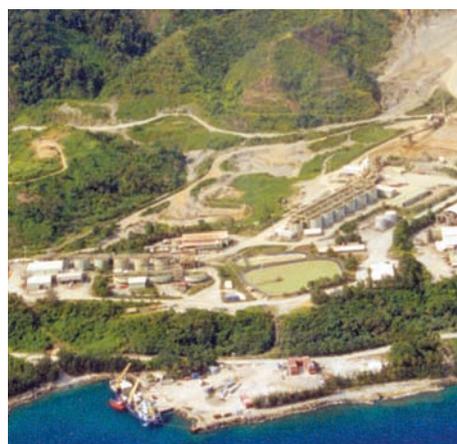
The MPI claimed that, through assessments of a representative who visited the island late last year, Misima Mines Ltd (MML) and, therefore, parent company Placer Dome were avoiding responsibilities for significant mining effects on ocean habitat and villagers' water supplies, as well as for the full inclusion of all legitimate stakeholders and claimants in the mine closure process. They further asserted that the company had sidelined key, dissatisfied stakeholders, through preferential manoeuvring of more positive, company aligned, landholder groups.

In response, Misima Mines Ltd wrote to *Ecos* to fully refute the MPI's claims and question their research methods, suggesting that during the unannounced visit by their officer, only limited 'unscientific' assessments were made through interviews with mine workers and similarly select villager groups, and that the company itself was not contacted for its perspective or to check any of the allegations. MML questions MPI's agenda, and maintains that it has upheld best practice in a difficult socio-political climate, and that the majority of central stakeholders, and necessary authorities are satisfied with the mine closure arrangements.

Ecos has been invited by both MPI and MML to further and fully 'scientifically' investigate the background to this issue, however, it is not within the magazine's capabilities to achieve this, and, furthermore, its objective, rather than to prove particular claims, was to report on the emergence of the issue itself. Given the complexities and political nature of the cases concerned, the required, fully independent and in-depth assessment of the matter would most likely be restricted in

its ability to confirm all facts behind the respective claims.

Through its General Manager for Sustainability, Nick Currey, Placer Dome Asia Pacific, representing MML, articulated what it publicises is a record of best practice, openness and positive development on Misima Island, for its people, over the last 15 years of mine operations. From the



The Misima Mine plant site before (left) and after (right) deconstruction. Courtesy of Misima Mines Ltd

obligatory, fully engaged and comprehensive pre-operations Social Impact Study through to the extensive Mine Closure Plan implemented over the last three years, MML writes that its operations have been conducted with a thorough commitment to corporate, social and environmental integrity under its Sustainability Policy, and that the benefits of the gold mine for both Misimans and Papua New Guinea have been, and will continue to be, extensive.

Aside from signed compensation agreements with landholders whose land has been disturbed by the mine's operations, the company highlights that it worked on providing quality of life improvement through key infrastructure, services, support and economic developments for the greater region, and that it has 'worked in close consultation and partnership with the local community and the provincial and local governments in an effort to meet community expectations and needs during the mine's operations.'

Much of this was achieved via establishment of the 'benchmark' Tax Credit Scheme agreed with the PNG Government, under which a proportion of the company's taxes, normally paid directly to government, were directed to development schemes and

'sustainability projects' for the island that would not normally have been possible with the government's resources. These, therefore, were not essentially direct investments of the company's own funds, but rather government revenues employed and managed by MML in local development.

MML also implemented its own programmes, the largest of which focused

on the employment, training and education of Misimans for the direct and support operations of the mine and its community. Also significant was the establishment of health services facilities, staffing and support, including programs to eradicate Filariasis, reduce malarial infection, and educate Misimans on AIDS and other health issues.

Where environmental management is concerned, MML attests to best-practice planning, management and extensive and ongoing monitoring of the local ocean and land that 'met or exceeded regulatory requirements'. It also says that 'numerous environmental studies were commissioned and distributed publicly to numerous stakeholders', including an independent review of the tailings management system. Despite media coverage of a tailings-related pollution discharge into Port Maikain in early August 2004, and company declared reports of two other serious discharges during 1998 and 2003 that breached environmental conditions or permits, MML and the PNG Department of Environment and Conservation are satisfied that measures were 'appropriate and in place' for MML's operations, and that 'baseline studies confirm that the

impacts of the mine are consistent with projections and hold no long-term threats to local communities or marine life. Similarly, appropriate rehabilitation work on the mine area is reported as extensive, locally consultative, and with all earth-works and primary re-vegetation now complete.

Community initiatives included the establishment of Landholder Associations to manage trust funds for the ongoing benefit of future generations. However,

MML says there have been disputes and ongoing court proceedings between some of the landowner groups concerning administration of trust monies and access to these funds.

To help alleviate these difficulties, MML commissioned a community relations and communications assessment of its relationships to and processes with stakeholder groups. The findings showed a thorough consultative framework was in place, but that there were weaknesses in the relation-

ships with some key stakeholders across the region. This, however, is not an unusual complication in such complex socio-political situations. An extensive, rolling community capacity building programme has been initiated by MML to train landholder, local government and other representatives in administrative skills and governance practice across the district.

An outline of key points of refutation is as follows:

MPI claims

Approximately one-third of the island has been disturbed by the mine's operation, including natural water supplies and fringing reef.

Misimans' elected President of the Louisiade Rural Local Level Government and its environmental officer, and the then Governor of Milne Bay Province were not happy to sign off on the proposed mine closure process because of concerns over unresolved process.

Landholder groups (Siung Landowners Association and Misima Towo Siung Association), original signatories to the 1990 Mining Operations Agreement (MOA) have been sidelined while closure negotiations have been made with preferential representative groups headed by an MML employee, its Community Public Relations Officer. MPI says this is unethical. MPI says it conducted interviews across the majority of landholder groups and clans, both within and outside the mining areas, and also with local and regional government and administrative representatives.

To assess landholder attitudes MPI conducted interviews across the majority of landholder groups and clans, both within and outside the mining areas, and also with local and regional government and administrative representatives. There were a variety of concerns over the company's conduct. Sociological research methodology was used to conduct and assess interviews.

To assess the background to the recent 2004 cyanide spill, interviews were conducted with workers from the mine site who were present at the time of the spill, and representatives of the Misima Mine Workers Union while on Misima Island. MPI received detailed technical explanation of the events leading up to the cyanide spill from reliable sources. These provided a sound basis for the statements made and are not merely unsubstantiated allegations.

Reports of a dead whale and ongoing fish deaths from residual ocean pollution. Limited reporting of marine life deaths by MML.

Unanimous islander agreement that MML and Government authorities should provide funds for islanders to organise an independent, transparent audit and review by consultants agreed upon by the relevant landowner representatives and commit to addressing identified flaws and gaps in risk management of mine closure program.

MML response

The land actually disturbed by mining totals only 4% of the island, with those areas having now been rehabilitated. Baseline studies confirm that the impacts of the mine are consistent with projections and hold no long-term threats to local communities or marine life.

The closure process has received all necessary Government approvals (PNG Government and endorsed by the National Executive Council) following wide stakeholder consultation.

Local level approvals are not required.

The landholder group exclusively at the centre of MPI's claims in the *Ecos* article, the Misima Towo Siung Association (MTSA), did not adequately represent landholders (according to other landholders themselves), and its financial management of landholder trust monies was still in question after the original MTSA had been liquidated with significant debts. MTSA is involved in court cases by other landholder groups over the question of representation and administration of trust monies.

MPI's assessment methods during an unannounced visit are questionable. They failed to fully consult all relevant groups, and did not contact MML for its input. Requests from other landholder groups to have their statements published online were not taken up by MPI. Sociological methodology adopted by MPI is questionable.

MPI 'investigations' of the spill were clearly unscientific (the interviewer did not have a scientific background) and therefore questionable. Discussions with 'reliable sources', such as unnamed workers and union representatives, are best described as hearsay.

While there was one incident where 37 dead fish were found, the reported death of a whale and other marine life is now discredited as 'untrue' by Port Moresby-based Department of Environment and Conservation officers.

If this is a legitimate concern of the MPI, then it should make its own arrangements for the independent testing. Mine closure assessments of impacts were conducted according to best practice.