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PRESS STATEMENT

NEW MINING LAW A REJECTION OF THE PAST: MOMIS

The Autonomous Bougainville Government passed a new ‘long-term’ Bougainville Mining Law on Thursday 26 March 2014. In his second reading speech in the Bougainville Parliament on Wednesday, the President spoke of the ‘misery, destruction and conflict’ caused for Bougainville by colonial mining law. He said that in passing the new law Bougainville was ‘rejecting that terrible past’.

He said that the under new law, ‘the rights and the needs of the owners of the minerals will be given the highest level of protection. In particular, the owners will have power to stop either or both exploration on their land, or the grant of a mining licence over their land.’

He went on to say that if Bougainville landowners do allow mining development ‘they will be entitled to rents and compensation, a share of royalties, proper treatment under resettlement plans and programs, preference in mining employment and business related opportunities, 5 per cent free equity ownership in the mine lease holder, and much more’.

The President also noted that:

‘The Bill also encourages direct participation of Bougainvilleans in the mining industry. ... Only Bougainvilleans can do small scale or artisanal mining, under community mining licences and artisanal mining licences. We encourage small-scale mining, for we have abolished restrictions in PNG law that mean most small-scale mining is illegal. There is also provision allowing companies controlled by landowners to apply for exploration licences over land owned by those landowner’s. These are new directions for mining law in Bougainville.’

President Momis also stated that because ‘the ABG is the government of all Bougainvilleans’ the law had to ‘balance the rights and needs of mineral rich landowners with protecting the interests and rights of all other Bougainvilleans. Any kind of mining, and especially large-scale mining, has impacts on other Bougainvilleans.’

He stated that the law also offered protections and benefits to people outside the mine area likely to suffer environmental and social impacts. He said: ‘But in a place as small as Bougainville, where our communities are so closely connected, large mines have impacts on

every part of the Region.’ As a result, it would be the responsibility of the ABG to look after impacts on all peoples. This would include ensuring that there was a spread of economic benefits, for inequitable development, where just landowners with minerals became wealthy, would only cause divisions and conflicts.

The President also explained that the new law is not about Panguna, or BCL. ‘Rather it’s a law about the future of the whole of Bougainville.’ He said the ABG is considering allowing large-scale mining again is because of its need for revenue. He said: ‘We lack even the most basic acceptable standards in essential services, like health and education. We lag behind the rest of the world. Without significant ABG revenue, that situation will never change.’

He said he wanted ‘the best possible hospitals, health centres, early childhood centres, schools, universities, technical education centres ... clean power, like hydro, and good roads to all accessible areas, good shipping services. These things are the essential basics for us gradually developing a sustainable economy where all share in benefits.

It was difficult to find the the money needed for such things, he said: ‘Right now we Bougainvilleans are not much better than beggars. We beg for our entitlements from the National Government. We beg and cajole the donors.

‘True autonomy, or true independence, will only come when we have our own sources of revenue, capable of providing the best possible services to our people.

‘It is an unfortunate truth that .. the only way any of us can see of generating this revenue is mining. But we need to approach this with great care. Mining itself is not a sustainable activity, as the minerals are a finite resource, and once they are gone they are never replaced. So the key will be to use the mining revenue wisely, to promote and generate sustainable economic growth.

This is why it will be essential to invest in health, education, clean power, and good transport.

The President went on to say that he had ‘no idea if BCL will return. ... BCL’s parent company, Rio Tinto, is in the process of undertaking a review of its investment in BCL. It’s entirely possible Rio will decide to walk away from that investment. If that happened, we would have to look at other options.

‘But our options with mining are not limited to Panguna. There are many difficulties involved when considering re-opening Panguna. There are divisions about the issues involved. There are high expectations about compensation and related issues. And if demands of this kind are too high, the project will not be economic. So at this stage, the ABG does not know whether Panguna will ever re-open. But we also know that there are leaders and communities in other parts of Bougainville that want mineral exploration. And as always, my government remains ready to talk to such areas.

He said that the ABG is not focused solely on large mines is instead strongly supporting small-scale mining. An innovative system of Community Mining Licences administered by COEs and VAs is directed to encouraging Bougainvilleans to generate their own revenues, but also to mine in ways that are safe for their health, and for the environment.

Chief John. L. Momis