Sustaining community through the FIFO transition at Ok Tedi mine – Development, maintenance, and staged closure in the North Fly.

Phillipa Jenkins
Outline – OTML and Ok Tedi

- More than a Mine – Heart of the province
- A new way forward – Community consultation and engagement
- A genuine opportunity – Social
- Securing our future – Changing operations with the post-boom times.
More than a Mine – Tabubil and the North Fly

Tabubil 137kms from Kiunga
No permanent settlement prior to mining
Less than 700 people in area when land first surveyed in 1970, ~23,000 in town & hinterland by 2009
People drawn by promise of contract work, services, transport, family, artisanal mining.
Politics of Western Province

• Historical lack of service provision by FPRG/WPA in North Fly District – FRPG recognize “impacted communities view of FRPG not positive”

• OTML as de-facto administrator of North Fly

• Low governance capacity in North Fly LLGs

• Corruption in FRPG/WPA – gov suspended 4 times since 1985
Ok Tedi institutional complex
A new way forward - negotiating with communities

• CMCA 2001
• CMCA review 2006/7
• MLE (CMCEA) – 2009 – 2012
• Additional mine closure patrols, CR patrols, OTDF patrols every year
• Negotiations involve discussions closure planning
Post-closure programs and strategies

• Developing food security programs
• Focus on sustainable management
• Working *with* communities, not just hand outs
• Encouraging entrepreneurial efforts
• OTDF and PNGSDP deploying trust funds for the good of CMCA and non-CMCA communities
A genuine opportunity - planning for staged closure

- Mine closure planning since 1999
- Mine closure and decommissioning code 2001
  - Financial Assurance Fund
- Detailed mine closure plan 2009 – updated 2013
- Avoiding the mistakes made in Misima – Tabubil base case.
- Emphasis on ensuring closure is successful, fully funded, and sustainable

Source: OTML
Mine Life Extension

MLE as staged closure

– Production 60% of 2012 levels
– Low production years 2013-2015 due to capital works on West Wall/P’nyang overburden
– Increasing profitability through productivity and efficiency gains – incl. more hours worked by less staff
– Reality of post resource boom reduction in profits
Securing (their) Future - OT2025

Then

• Residential family accommodation
• Generous packages to compete with Australian mines
• Exec expats/contractors mostly used FIFO

Now

• Donga/Share accommodation
• No dependents
• 14/7 or 28/14 FIFO rosters
• PAD rentals in Tabubil
• No casual labour
Service changes

• Power and water – OTML now charging for town services
• Education – Tabubil International School Closed
• Reduced staffing at Tabubil Hospital to reflect reduced Ok Tedi employees
What could this all mean?

• Shift operations to Kiunga – OTDF already did
• Reducing reliance on OTML to “fix” problems of NF (and WP more generally)
• FRPG step up (or not!)
• Communities to become more resilient and adaptable to post-mining future
• Diversification towards oil/gas, forestry and tourism