

ECONOMIC POLICY CHALLENGES

THE CONTRIBUTION OF MINING COMPANIES TO PNG DEVELOPMENT

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Papua New Guinea Update
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Barrick www.barrick.com/responsibility/our-commitment/default.aspx

Porgera gold mining

“..... we are committed to making a positive difference in the communities in which we live and work”

Newcrest

Sustainability Report 2012

Managing Director and CEO, Greg Robinson

Lihir gold mining

“We aim to bring enduring net benefits to the communities and countries in which we operate”

Oil Search Limited

Stakeholders Report (undated)

Managing Director, Peter Botten

Southern Highlands oil and gas operations

“Our aim is to leave a long-term legacy of improved sustainable development opportunities in all areas where Oil Search operates”

Ok Tedi Mining Limited

www.oktedi.com

Western Province copper mining

OTML Charter “We are successful when ... we are making positive social and economic contributions to PNG, the Western Province and the North Fly”

INDICATORS

CORE BUSINESS CONTRIBUTIONS

- payments to government
- payments to landowners, communities and development authorities
- value of procurement from local business
- wages paid to locally-hired labour
- numbers of locally-hired workers

COMMUNITY CONTRIBUTIONS

- value and type of corporate community programs
- Government-funded infrastructure spending
- benefits from community programs

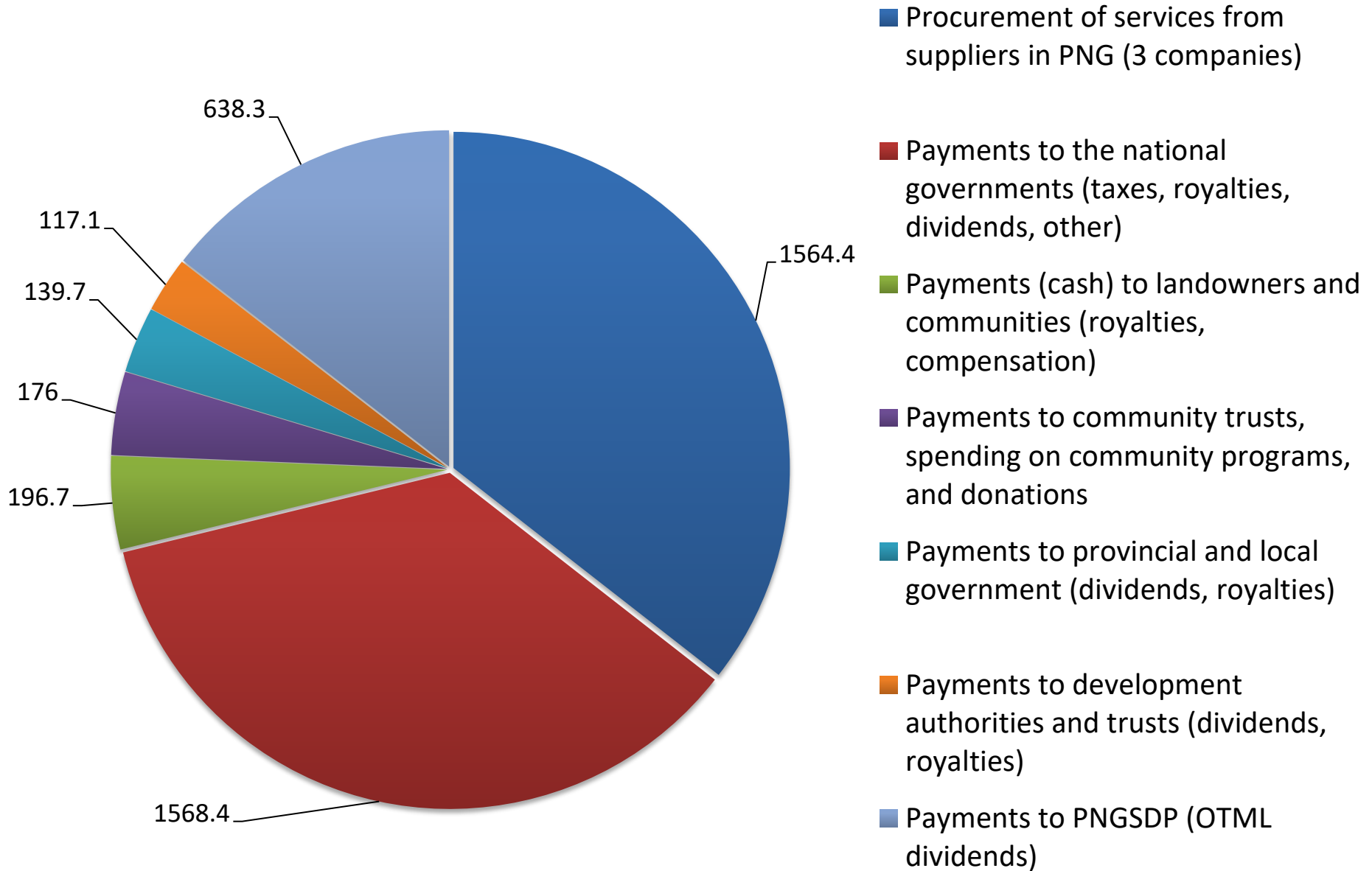
Annual average payments by companies, 2009-11, PGK million

| | |
|--|-------------------------------------|
| National government | 1568.4 |
| Procurement PNG suppliers (3 coys) <i>[Landowner and JVs Other PNG-owned and JVs Other PNG suppliers]</i> | 1564.4 332.1 231.6 1000.7] |
| Development authorities & trusts <i>[PNGSDP]</i> | 755.4 638.3] |
| Landowners and communities | 196.7 |
| Community trusts & programs, donations | 176.0 |
| Remuneration PNG nationals (2 coys) | 169.7 |
| Provincial and local governments | 139.7 |
| Infrastructure (3 coys), TCS | 61.2 |

ANNUAL AVERAGE WORK FORCE NUMBERS, 2009-11

| | |
|---|---------------------|
| Total employee work force in PNG | 7791 |
| <i>PNG nationals</i> | <i>7154 (92.7%)</i> |
| <i>Expatriates</i> | <i>636 (7.3%)</i> |
| ----- | |
| Mine area & province as % of PNG nationals (3 coys) | 50.2% |
| Other parts of PNG as % of PNG nationals (3 coys) | 49.8% |

Average total annual payments PGK million 2009-11



Community programs focal areas:

Infrastructure

Transport -- building and maintaining roads, bridges, wharves and airstrips

Schools, health facilities, community centres and women's facilities

Power supplies, water supply and sewerage

Health

Basic health care (MCH, malaria, TB, HIV/AIDS)

Emergencies

Family and sexual violence

Education

Scholarships for school and university

Business development and rural livelihoods

CONCLUSIONS

1. Information not readily available
2. Information not relevant to development progress
1. Health the exception
1. Raising the bar on reporting