

## ***Broken Hills:***

*Six cases from BHP's long trail of disasters*



Above: Devastation one month after the Fundão dam collapse.

Photo credit: Nilmar Lage

### **Introduction**

**From Latin America to Oceania, companies in the BHP group have left a trail of environmental, social and public health disasters.** All too often they have walked away from the devastating messes that their critics accuse them of creating. In so doing they have left communities and lands scarred, while the work, and the cost, to heal and restore is left in the hands of others. **In this short briefing you will find five cases of ongoing disasters, and one case, in the United States, of a disaster in the making.**

## Ok Tedi, Papua New Guinea

Majority owned and operated by BHP until 2002, the Ok Tedi copper and gold mine in Papua New Guinea began production in 1986. Since that time, **the mine has discharged 80,000 metric tonnes of mine wastes, including heavy metals, directly into the Fly River system every day.**

The rivers downstream of the mine run thick and grey. **When the river floods, it rises over its banks, smothering the forests and food-producing gardens of the indigenous peoples living along the Ok Tedi and Fly Rivers.** The polluted water also travels up side-creeks, wreaking similar destruction there.

**More than 2,000 square kilometres of forest have been damaged or destroyed** by tailings from the Ok Tedi mine, including the hunting, fishing and garden areas of more than 40,000 indigenous people. Mount Fubilan, the site of the Ok Tedi Mine, has been reduced from a peak of over 2,000 metres, to an open pit, the bottom of which lies at sea level.

**BHP resisted efforts by indigenous peoples and environmentalists to compel the company to install proper mine waste management facilities** after a landslide destroyed the footings for a tailings dam near the mine in 1984. Yet in 1999, after more than a decade of damage, BHP CEO Paul Anderson declared that the Ok Tedi Mine was “not compatible with our (BHP’s) environmental values and the company should never have got involved”.

**In 2002, BHP transferred its 52% stake in the mine to the Papua New Guinea Sustainable Development Program Limited, in a move critics of the company say was an attempt to limit the company’s environmental liability** for cleaning up the biggest environmental disaster in PNG’s history.

**Reports suggest that the deforested area will permanently remain as savannah grasslands.** The project is currently scheduled to close in 2025.

## Cerro Matoso, Colombia

In the grasslands of Córdoba (Colombia) lies **Cerro Matoso - one of the world’s largest ferronickel mines, and a decades-long plague on the health of local communities.**

Large-scale mining operations began at Cerro Matoso in 1982; **BHP was involved in the mine from day one, acquiring full ownership in 1997.**

**Evidence of the devastating health impacts on local indigenous (Zenú and Embera) and Afro-descendant communities began to emerge in the 1990s.** These were subsequently confirmed in a scientific study undertaken by the Colombian Institute of Legal Medicine and Forensic Science and presented to the Colombian Constitutional Court.

**Alarmingly high rates of miscarriage, birth defects and cancer are widespread in nearby communities** and have been linked to the heavy metal contamination found in local air, soil and water.

**A new company, South32, was spun out of BHP in 2015, and bequeathed the company’s Cerro Matoso operations. This has enabled BHP to distance itself from yet another operation laden with liabilities.**

Despite BHP’s denial of its role in the deteriorating health of nearby communities during its operations, in March of this year, the Constitutional Court found South32 responsible for irreparable damage to local communities and ordered it to compensate communities. The company appealed and the compensation order was nullified by the court on 21 September 2018. The Company was allowed to continue its mining operations whilst at the same time responding to the Court order to re-apply for its mining licensing as its operations do not reflect current environmental standards.

## Samarco, Brazil

The catastrophic failure of the Fundão tailings dam in Minas Gerais (Brazil) on 5th November 2015 spilled 45 million cubic metres of mining waste into 637 kilometres of the Rio Doce and its tributaries.

Samarco Mineração S.A. is a joint mining venture of BHP and Vale, and the owner of the Fundão dam. The area around and below the Fundão dam has been the site of gold and iron ore mining, and has rock strata rich in toxic elements such as arsenic, manganese and mercury.

This large-scale tailings dam failure led to erosion and degradation throughout the river basin and intense deposition in several areas of the river floodplain and in the Atlantic Ocean near the river mouth.

The effects of the tidal wave of mining waste were devastating in the areas just downstream of the dam, destroying settlements and killing 20 people, but there were significant impacts all along the 637 kilometres of river, from the District of Mariana to the mouth of the Rio Doce, and in the maritime region around the mouth of the river.

In some places, mining waste has been deposited on land beside the river. The mining waste in the river has generated knock-on effects in the water-supply, agriculture, fishing and tourism, and thus in turn on household livelihoods, social life and health. Many people who depended on the river for their livelihood, (in fishing, farming or tourism) consider that the river is dead. All estimates indicate that restoration of the basin of the Rio Doce will take decades.

BHP currently faces multiple lawsuits relating to the dam collapse, among them: a Federal Public Prosecution Office claim for 155 billion reais (approximately 40 billion US dollars), currently suspended until August 2020; a class action complaint by bondholders in the United States and a number of class action complaints by shareholders in Australia, for unspecified amounts. A class action complaint by shareholders in the United States was settled in principle by out of court agreement for 50 million US dollars in August 2018. Meanwhile, 8 BHP staff are among 21 people who face homicide charges in Brazilian courts. The company is contesting the charges and supporting the individuals being prosecuted.

## Cerrejón, Colombia

BHP bought into the massive opencast Cerrejón Coal mine in 2000 as part of a consortium with Anglo American and Glencore. The consortium took complete control of the mine in February 2002.

Cerrejón already had a history of forced displacement of small farming and herding communities in the arid region of La Guajira in northern Colombia. It has so far failed to address adequately the needs of communities forced off their land before that time. Since the consortium took over, it has begun to negotiate with communities and relocate whole villages to new sites, but the relocation areas are semi-urban, with inadequate land for agricultural livelihoods. Older people have sunken into depression at the loss of their rural way of life. Many of the alternative economic projects started with funding from the mine have failed and people are left without adequate incomes.

Mining operations have created six enormous coal pits, which have brought about the destruction of local water courses and loss of rare dry tropical forest. Local people fear that the mined-out land will never be fully restored once mining stops. There are conflicts over water use, and local people complain that they do not have enough water. They also denounce both air and water contamination generated by the mine. The coal trains to the port kill local livestock, and soldiers guarding the railway line threaten and harass local people.

Critics of the mine receive death threats from unknown sources.

## Escondida and Cerro Colorado, Chile

BHP has major operations in Chile, which is the world's largest copper-producing country in the world. **BHP began operations at Escondida, the world's highest producing copper mine, in 1990.** Today BHP remains the majority shareholder (57.5%) and manages the operation.

Since entering the Aymara territories of northern Chile in the 1980s, **BHP has been accused of committing irregularities which have caused the community of Cancosa to mobilise in opposition to Cerro Colorado,** an operation fully owned by BHP. In June of this year, the company announced it would sell to the private equity firm EMR Capital.

In 2002 the community was successful in demonstrating in court that **the company was extracting 90 litres of water per second, when their authorization allowed them to draw water at a maximum rate of 35 litres per second.** Despite a fine and court orders for the company to mitigate **the damage done to lakes and wetlands, the damage that was done persists.** The water table has dropped considerably and thus made land-based livelihoods less tenable for members of the community, many of whom have been displaced to urban areas as a result of **their livelihoods having been eroded.**

In another instance, **in 2007, an environmental impact statement was filed for plans to carry over 648 million cubic metres of water (at a rate of over 1,000 litres per second)** from the area known as Pampa Colorada, 190 km across the Atacama desert, to satisfy the water-intensive needs of Escondida's plans for expansion.

**The project was met with great resistance and skepticism by local communities. It was rejected by the state for the impact it would have on the hydrologic system,** and the threat it would pose to the indigenous communities of Peine, Socaire and Toconao who depend on the high Andean watershed of Pampa Colorada.

## Resolution Copper, USA

**In 2003, Rio Tinto and BHP formed a subsidiary, Resolution Copper, and began pushing a plan to build a massive, destructive mine under Oak Flat.** Oak Flat lies 100 kilometres east of Phoenix, Arizona, and is part of the public lands of the Tonto National Forest.

**The area has always been sacred to Native Americans, and is also valued as an ecological haven.**

Because of the religious importance of the area, the local ecosystem has long been nurtured, as the spiritual wellbeing of Western Apache Tribes is dependent upon fully functioning ecosystems. Oak Flat is bounded on the east and south by Ga'an Canyon which creates a natural migratory corridor for wildlife. To the west is Apache Leap, where Apache warriors leapt to their deaths to avoid capture by the US military.

Oak Flat is the headwater for Queen Creek. **The toxic tailings dump location proposed for Resolution Copper falls within the Queen Creek watershed, and the subsequent loss of water from the proposed project would be profound.**

**The proposed mine, using a controversial block-cave technique, would cause nearly five square kilometres of the surface to collapse more than 300 metres.** The operation would **permanently destroy nearly 3,000 hectares of public land, and local communities.**

**The proposed mine will continue to face resistance and the project is already far behind schedule.** The US Forest Service is currently conducting an environmental review of the project, during which more than **100,000 people have already voiced strong opposition to the project.**