

# Embassy ignored killings at Indonesian mine

The Australian government has defended Embassy officials in Jakarta who lobbied Indonesian security forces and officials to deal with 'illegal miners' at an Australian-owned mine. In three separate incidents after the lobbying commenced, two people have been killed and another five injured.

Controversy over the lobbying activities of Australian Embassy erupted after the shooting incidents by the notorious Mobile Brigade (Brimob) – in June 2001, August 2001 and January 2002 – at the Mt Muro mine owned by the Perth based company, Aurora Gold.

Aurora Gold – and its predecessors – have encountered local opposition to large scale mining over concerns about the obliteration of traditional small scale mines, past abuses by security forces and pollution.<sup>1</sup>

Aurora's Chairman, Rory Argyle, has acknowledged that the collapse of the Indonesian economy has forced many people to turn to what the company calls 'illegal mining' as 'a means of survival'.<sup>2</sup> However, Aurora's economic survival was also tied to the Mt Muro mine, its only source of cash.

In answers to parliamentary questions by Australian Greens Senator Bob Brown, the Minister for Foreign Affairs, Alexander Downer, revealed that since November 1999 Embassy officials in Jakarta have worked with Aurora Gold representatives in lobbying Indonesian officials and security forces to eject illegal miners entering the Mt Muro mine.



Australian Minister for Foreign Affairs, Alexander DOWNER. Photo: Bob Burton.

Downer insists that the Embassy officials stressed that the difficulties Aurora – a signatory to the Minerals Council of Australia's voluntary Code for Environmental Management – was having with 'illegal miners' should be resolved 'in a peaceful manner'.<sup>3</sup>

Despite Embassy officials being aware of the deaths and injuries from the military crackdown, no inquiries were made of either Aurora or Indonesian police until after Senator Brown asked a series of questions in February 2002.

In October 1999 IMK unsuccessfully urged authorities to 'take control of illegal mining and unrepresentative groups'.<sup>4</sup> Aurora then turned to Australian Embassy officials. On 2 November 1999 Aurora Gold representatives briefed the then Australian Ambassador, John McCarthy, about their concerns. Just over two weeks later, McCarthy met the Indonesian Minister for Mining and Energy to discuss concerns of Australian mining companies, including Aurora's 'prob-

lems with illegal mining'.<sup>5</sup>

A follow up meeting was held on 2 March 2000 in Jakarta with the Governor of Central Kalimantan, the Bupati (regent) of the local regency, police and military officials. Embassy staff also attended 'as observers, at the request of Aurora Gold'. According to Downer, Embassy staff 'highlighted the damage to investor confidence in Indonesia if the Government was unable to honour contracts of work and resolve the Mt Muro dispute'. The following day Aurora welcomed assurances from Indonesian government officials that 'illegal' miners would be removed.<sup>6</sup>

On 25 May 2001, Richard Smith – who had taken over from McCarthy as Ambassador in January 2001 – visited the Mt Muro operations 'at the invitation of Mr Joe Ariti, President Director, Aurora Gold Indonesia'.<sup>7</sup> Smith addressed a meeting of provincial government officials and, according to Downer, stressed 'the importance of upholding the law, including

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*laws relating to illegal occupation of mining leases and theft, at Australian-owned mining operations in Indonesia to ensure an environment in which Australian investors could operate in accordance with their contracts of work*.<sup>8</sup>

On 5 June 2001, Brimob members shot at a group of small-scale miners scavenging waste rock in the waste rock dumps at the Kerikil mine, one of a number of pits at the Mt Muro minesite. Fleeing the Brimob, six of the miners fled into a flooded mine. From the pit edge Brimob members continued firing and threw stones at the trapped miners, killing two of them. Another three were injured, one crippled as a result of being shot in the knee.

Aurora's then Company Secretary, Michael Baud, later claimed that the deaths *'were drownings by people who were operating illegally in the mine and fell in to the water at the bottom of a disused pit and drowned'*.<sup>9</sup>

According to Downer, while the Ambassador was aware of media reports of the incident no attempt was made to obtain information from either Indonesian government

officials or Aurora.<sup>10</sup> Nor, wrote Downer, did Aurora inform Embassy staff of the incident.

Despite the killings, desperate miners continued their scavenging operations. Early on Monday morning 27 August 2001, Brimob fired three shots at a group of small boys scavenging in the Kerikil pit. One – a teenage boy – was shot and disabled with a bullet passing through one of his legs and entering the other.

According to Downer, *'the Ambassador was aware of media reports of the incident'* but made no inquiries of either Indonesian government officials or Aurora Gold.<sup>11</sup> Downer insists

*'the Ambassador was aware of media reports of the incident'*

Alexander Downer

Aurora did not inform the Australian Embassy of the incident.

In a further incident on Saturday 17 January 2002, a police officer shot and seriously wounded a 20 year old man who was searching through

waste rock at the Kerikil minesite. The man's two companions – who fled after the shooting – reported that he was shot in the head at close range. After the shooting protests resulting in the pit being occupied for a day.

A media release the following Thursday by the Mineral Policy Institute sparked media coverage by the *Australian Financial Review* and ABC's Asia Pacific program.<sup>12</sup> According to Downer, it was not until five days later that Aurora advised the Australian Ambassador of the incident. According to Downer, the Ambassador took no further action. However, two weeks after the shooting and protests in Indonesia, authorities announced that Brimob would be recalled from the minesite.<sup>13</sup>

The Australian Embassy in Indonesia only began inquiries into the series of shootings after Brown tabled questions in the Senate on 18 February 2002. Nine days later, the Australian Embassy *'sought clarification'* from the Indonesian police force about *'the reported incidents'*.<sup>14</sup> On 5 March 2002 Aurora sent a written briefing to the Ambassador on the series of incidents at the mine.

mining  
monitor

ISSN 1443-5284

Editor: Bob Burton

Sub-editing/proof reading: Consensus Productions

*Mining Monitor* is published quarterly by the Mineral Policy Institute (MPI). *Mining Monitor* aims to provide detailed, referenced information to inform and support community organisations concerned about the impacts of mining projects (including oil and gas) in Australasia and the Pacific. The views expressed are not necessarily those of MPI.

Please consult the editor prior to submitting material for major stories. You may send comments and criticisms as a letter to the editor to *Mining Monitor*. Preference is for contributions via e-mail to <bobburton@ozemail.com.au>. Otherwise material may be posted to PO Box 157 O'Connor ACT 2602 Australia. Deadline for the next edition is 30 July 2002.

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Despite the controversy, Downer saw no need to review the role of Embassy officials in the affair. *'At no stage did the Ambassador or Embassy officials request Indonesian Government authorities act other than in a peaceful manner, in accordance with Indonesian law. In this context, the Minister does not consider a Departmental review necessary'*, Downer informed Parliament.<sup>15</sup>

Rio Tinto – a signatory to the United Nations Global Compact promising to voluntarily uphold international human rights standards – is also embroiled in the controversy. In November 2000 Rio Tinto took over Ashton Mining in order to control all of the Argyle diamond mine.<sup>16</sup> As a by-product of the deal Rio Tinto gained a 35% shareholding in Aurora. In February 2001 Rio Tinto appointed the Managing Director of Argyle Diamonds, Gordon Gilchrist, to Aurora's Board.<sup>17</sup> Gilchrist remained on the board until Rio Tinto sold its shareholding in October 2001. While it was a major shareholder two of the shootings occurred – in June and August 2001 – resulting in two deaths.

Rio Tinto guidelines on dealing with human rights abuses at projects where it is not the manager state *'we should also ... make clear that Rio Tinto strongly disapproves of human rights violations of employees or local people, and press for investigation*

*and prosecution if credible allegations arise'*.<sup>18</sup>

Mining Monitor repeatedly contacted Rio Tinto's media spokesperson, Ian Head, requesting clarification on whether whether Rio Tinto staff had contacted Australian Embassy officials, Indonesian officials or Aurora about the incidents at Mt Muro while it was a major shareholder and had been a director on the board of Aurora. Head has not responded.



Local villagers have lost valuable land to the mine operations.

Photo: JATAM

### Bob Burton

<sup>1</sup> See Bob Burton, "Take control" Aurora tells Indonesian Governor', *Mining Monitor*, Volume 4 Number 4, November 1999, pp 1-2.

<sup>2</sup> Rory Argyle, 'Annual general meeting 2000 - address by the Chairman', [www.auroragold.com.au](http://www.auroragold.com.au), 4 May 2000.

<sup>3</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question number 116, 15 May 2002, p 1647.

<sup>4</sup> Aurora Gold, 'Update: Mining operations – Mt Muro', Announcement to the Australian Stock Exchange, [www.auroragold.com.au](http://www.auroragold.com.au), 11 October 1999.

<sup>5</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question number 123, 15 May 2002, p 1650.

<sup>6</sup> Aurora Gold, 'Update: Mining operations – Mt Muro: provincial government gives assurances on illegal mining', Announcement to the Australian Stock Exchange,

[www.auroragold.com.au](http://www.auroragold.com.au), 3 March 2000.

<sup>7</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question number 116, 15 May 2002, p 1647.

<sup>8</sup> *ibid.*

<sup>9</sup> Environment News Service, 'Indonesian Man Shot at Australian Gold Mine', <http://ens-news.com/ens/jan2002/2002L-01-23-01.html>, 23 January 2002.

<sup>10</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question no 117, 15 May 2002, p 1648.

<sup>11</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question number 124, 15 May 2002, p 1651.

<sup>12</sup> Mineral Policy Institute, 'Shootings deaths at Aussie mine', *Media Release*, [www.mpi.org.au](http://www.mpi.org.au), 24 January 2002; Australian Broadcasting Corporation, 'Security forces shooting at goldmine provokes protests', [www.abc.net.au/asiapacific/location/asia/GoAsiaPacificLocationStories\\_466769.htm](http://www.abc.net.au/asiapacific/location/asia/GoAsiaPacificLocationStories_466769.htm), 25 May 2001.

<sup>13</sup> 'Mining: Brimob out after Muro shooting', [Laksamana.net](http://Laksamana.net), 3 February, 2002. [Translation].

<sup>14</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, [www.aph.gov.au/hansard/hanssen.htm](http://www.aph.gov.au/hansard/hanssen.htm), question number 119, 15 May 2002, p 1649.

<sup>15</sup> Minister for Foreign Affairs, Alexander Downer, *Senate Hansard*, <http://www.aph.gov.au/hansard/hanssen.htm>, question number 124, 15 May 2002, p 1651.

<sup>16</sup> Rio Tinto, *2000 Rio Tinto Annual report and financial statements*, [www.riotinto.com](http://www.riotinto.com), p 17.

<sup>17</sup> Aurora Gold, 'Board changes', Announcement to the Australian Stock Exchange, [www.auroragold.com.au](http://www.auroragold.com.au), 1 February 2001.

<sup>18</sup> Rio Tinto, 'Human rights guidance: Guidance for managers on implementing the human rights policy in *The way we work*', [www.riotinto.com](http://www.riotinto.com), April 2001, p 9.

## Obstructors should be shot, says mining executive

According to a December 2001 report by the International Crisis Group (ICG) – an international think tank funded largely by governments and foundations – Indonesian authorities have been lobbied to resort to violence to protect mining company projects. The ICG report on law enforcement and the exploitation of natural resources in Indonesia noted that some mining companies *"have insisted that the government uphold their contractual rights by force if necessary, as in the Suharto era"*. The report noted that local government officials and police often considered this view as ignoring the underlying problems.

According to the report *"an Indonesian, complained to ICG that an excessive preoccupation with human rights was deterring police from shooting at people who obstructed the operations of mining companies"*.<sup>1</sup> ICG did not identify either the individual or the company for which they worked.

<sup>1</sup> International Crisis Group, *Indonesia: Natural resources and law enforcement*, ICG Asia report no 29, 20 December 2001, page 19.