

Mt Kodu Goldmine - Facts, Fallacies, and Fabrications

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The closure of the Kokoda Trail without warning on 16 September 2024 has wreaked havoc on Kokoda tourism.

The blockade, established by a group of dissident Port Moresby based landowners, is a crude attempt to hold trekkers hostage to a ransom demand from Government.

It has also exposed a leadership vacuum in Canberra and Port Moresby and revived memories of an appalling lack of judgement by an arrogant gold mining company and an ignorant Canberra bureaucracy when the proposal to mine a gold and copper deposit on Mt Bini was first announced in 2006.

The issue could have been avoided if Canberra officials had supported the management of the Kokoda Trail as a pilgrimage tourism enterprise for the economic benefit of landowner communities across it rather than as an ‘environment park’ managed as a government bureaucracy for the benefit of aid-funded environment officials and consultants.

Kodu Mine Circa 2006

I first noticed the appearance of survey pegs on the southern side of the Maguli Range in 2006 and naively assumed the government was finally mapping the area as a result of the increasing interest in trekking across it.

Soon after I heard and saw the clanking of bulldozers on the Western side of Mt Bini adjacent to the Kokoda Trail. They were ripping out an area for a road link to the mine site on the opposite range. It wasn’t long after that I noticed the pristine waters of Ofi Creek turning black from the pollution of the mine area.

I expressed my concerns to Senator Bill Heffernan which led to the following article in the Australian newspaper [The Australian - PM battles to save Kokoda from goldmine](#) - Greg Roberts, September 29, 2006.

‘JOHN Howard has moved to scupper plans by an Australian company to mine gold along the Kokoda Track, where more than 600 Australian soldiers lost their lives in some of the fiercest fighting of World War II.

‘In a development likely to spark tensions between Canberra and Port Moresby, the Prime Minister is determined that the proposal by Gold Coast-based Frontier Resources is scrapped.

‘Mr Howard is prepared to tell his PNG counterpart, Michael Somare, that Australia will not accept large-scale mining on the track, where thousands of Australian trekkers make an annual pilgrimage.

‘But Frontier yesterday warned against "foreign government intervention" over a gold deposit, worth an estimated \$1.3 billion at current prices, it has unearthed in the Mount Bini area, northeast of Port Moresby.

‘The 96km Kokoda Track passes right through Frontier's 540sqkm Kodu exploration area, which is also estimated to contain almost \$400 million worth of copper.

‘Kokoda Track Memorial Walkway chairman and former RSL NSW president Rusty Priest said the sanctity of the Kokoda Track should be preserved.

"Australians appreciate the sacrifices made during the Kokoda campaign and we don't want to see that area ripped up for a goldmine," Mr Priest said.

‘Mr Howard dispatched a high-level delegation headed by Department of Prime Minister and Cabinet first assistant secretary Hugh Borrowman to PNG to inspect the proposed mining area this week.

‘Members of the delegation, which returned to Canberra last night, included Australian War Graves director Major General Paul Stevens, the Department of Foreign Affairs and Trade's Pacific division head David Binns and Department of Environment and Heritage assistant secretary Greg Terrill.

‘The visit comes as Australian war veterans - to be headed by Mr Howard's factional ally in the NSW Liberal Party, MP Charlie Lynn - prepare to launch a campaign against the mine.

‘Mr Lynn, a Right faction powerbroker, is the founding chairman of the Kokoda Track Foundation and owner of Adventure Kokoda, which organises trekking tours of the track.

‘The Kokoda Track took a heavy toll on both Australia and Japan. More than 600 Australian soldiers' lives were lost and more than 1000 were wounded.

‘By the time the last enemy bastions at the end of the overland route fell on January 22, 1943, the lives of more than 12,500 Japanese had been lost.

‘Mr Lynn said yesterday that the Prime Minister had asked the delegation to explore options to protect the environmental integrity of the track.

‘He said he was disturbed that an Australian company planned to mine the area. He had seen exploration tags recently pegged along the track and exploration work was clearly visible.

"We are talking about a national icon and if we as Australians allow anyone to desecrate that, we will never be forgiven," Mr Lynn said.

‘He said the mine risked undermining a thriving trek-based ecotourism industry.

"When trekking started in the early 1990s, all the villages along the track had a combined income of \$3000 a year," he said. "These days, one village earns that much in a month."

‘But Frontier manager Peter McNeil said Mr Lynn had a conflict because of his involvement in the trekking business.

‘Mr McNeil said he had been consulted by Mr Howard's delegation and did not believe Canberra should intervene.

"It would not be right for a foreign government to try to impose its will on Papua New Guinea," he said.

'He said the mine would have minimum visual impact on the track and had been welcomed by villagers, who believed the only locals who benefited from trekking were a handful who owned hostels along the track.

"They see it as the main chance to get development in the area," he said. "These are people who have to walk four hours to get first aid and who have a one-room shack as a school."

'Frontier ran into trouble with the stock exchange in July after shares rose 300 per cent on the basis of a controversial resource calculation announcement.

'It had repackaged two old releases into a bullish announcement that cited billions of dollars of in-ground copper based on "hypothetical reserves".'

This article was based on known facts at the time.

The money allocated to the Kokoda Track Authority was to have been conditional on it being divided equally between landowner communities for the maintenance of the 138 km Trail, and education for all communities across it between Sogeri and Kokoda.

Nauro Landowners Circa 1992

Our subjective understandings of Nauro landowners were based on the reality of our relationship with them which began when we first camped in their village in 1992. It was a small village adjacent to a grassed airfield located in its original wartime location within the Nauro swam area. Access was via a series of floating logs which posed their own challenges for trekkers.

There was a different 'vibe' in the village compared to others we camped in. Locals seemed to be curious but shy and kept their distance from trekkers. There were no welcome 'sing-sings' which were common in other villages across the Trail. Communication was difficult due to their poor English skills. They were devout Seventh Day Adventists with a small church but no school. They lived a subsistence lifestyle.

In early 2000 the village divided and relocated to their current locations – half to a ridge on the northern section of the Maguli Range and half down in the valley between the Range and Mt. Bini. Our PNG guides informed us the split was due to sorcery related issues within the village community.

Soon after the licence to operate the mine was cancelled due to the intervention by the Australian Government we were told by our guides (who acted as our interpreters) that the Government was going to pay them around K6 million in compensation and they would be moving down to Moresby to buy some buses. We never sought to verify the details which were sketchy however they did vacate the village soon after.

I wondered at the time who might have been advising the villagers, who were financially illiterate, on how to invest the windfall they were about to receive but it was not my business and we continued to focus on our trekking operation.

I believe it's time to revisit this issue.

Kokoda Tourism Pre 1992

Before I led my first groups across the Trail in 1992 there was no Kokoda tourism industry – villagers lived a subsistence lifestyle.

There was no organizational structure until I convinced Sir Peter Barter of the need to set up a management body then advanced K25,000 to make it happen. My purpose was to assist villagers who were demanding a share of benefits from the emerging Kokoda tourism industry.

Since then 65,000 Australians have trekked across it.

This has generated around K175 million for village economies in the form of jobs for guides and porters, campsite fees, site fees and local purchases.

Before that they received nothing!

In addition to this more than K700 million has been generated for PNG tourism (international air travel, hotels, charter aircraft, buses).

As a result the Government has received around K70 million in GST revenue.

Mining Company Offer to Landowners

Frontier Resources, the developer of the mine, offered 5% equity and compensation to the landowners as an inducement for their approval for the mine. They later upped their offer by proposing they would give up 2% of their equity if the Nauro landowners gave up 1% of theirs. This offer would leave the landowners with 4% with a return on 3% to be paid to the Kokoda Track Authority (KTA) who would have been required to invest half of the funds for the preservation of the 138 km Trail from Owers Corner to Kokoda, and half for education for ALL communities across it.

On 13 May 2008 Frontier Resources advised the Australian Stock Exchange of the following estimated benefits over the 10-year life of the mine:

- PNG Government: K6 billion (if 30% ownership is taken up);
- Kodu Landowners: K345 million;
- Kokoda Track Landowners: K76 million; and
- Kokoda Track Authority: K152 million.

If Kokoda tour operators and all landowner communities had been included in the discussions leading to this offer from Frontier Resources they would have supported the proposal to proceed with the mine provided proper environmental safeguards were put in place.

Unfortunately both key stakeholders were ignored by an arrogant mining company and ignorant Canberra officials.

Australia's Political Intervention

Soon after Australia's intervention a Joint Understanding was signed to assist PNG to obtain a World Heritage listing for the Trail. This led to a focus on environment rather than the people impacted by the decision to stop the mine.

If their focus had been on people their first priority should have been to identify the customary landowners across the Trail. Unfortunately Canberra officials assigned to the ‘Kokoda Initiative’ have neglected to:

- Identify landowners and clan groups across the Trail since they assumed responsibility for it in 2009;
- failed to assist landowners to establish Incorporated Landowner Groups across the Trail to provide them with a legal form of representation; and
- failed to conduct village-based workshops to determine local needs and monitor progress towards agreed objectives.

Their next priority should have been to track the spending priorities of the recipients of the K175 million that has washed through village economies since we led our first group across the Trail in 1992.

We know there are low levels of financial literacy in the subsistence village communities across the Trail but, apart from that, we have no idea how they have invested the money they have earned. If we had a better understanding of their spending priorities we would be better able to implement basic money management programs to assist them.

Village Communities

I have observed little change within the physical environment of village communities during my 101 treks over the past 32 years. The only noticeable improvement in the larger villagers has been the construction of Lysaght type church buildings on large concrete slabs.

A report from Pacific Islands Projects in 2014 revealed that many villagers from larger communities now live in Port Moresby. I believe the income they earned from Kokoda tourism has made it possible for them to relocate to Moresby from their village. I also believe they would have been attracted by the prospects of getting jobs as well as a better education for their children – but this is just a guess.

A priority focus on people by the Kokoda Initiative would have resulted in the engagement of the University of PNG and financial advisors familiar with the formal and informal sectors of PNG and the *Melanesian Way* study their motives and needs.

Such a process would have allowed them to then map the money trail, develop financial literacy programs, and advice on savings and investments.

Back to Nauro!

There is a distinct possibility that the reported K10 million awarded to a small group of financially illiterate subsistence villagers could have been siphoned off them due to poor management advice and/or the intervention of con-men and/or corrupt government officials.

This was hinted at by the CEO designate of the Kokoda Track Authority, James Enage when he reported on Nauro landowners closing the Trail in 2010. [Enage advised reporter, Simon Eroro](#) that *‘the closure of the track was spear-headed by individuals with vested interests, not genuine, and trying to convince the locals to gain support.’*

One of those individuals with ‘vested interests, not genuine’ is suspected to be Peter Malik who, according to reports, is orchestrating the current blockade at Nauro village. He has form in this area.

Landowner Associations

The following claim to represent Nauro village landowners:

- Peter Malik claims to be the Chairman of the Aihi Land Group Inc – there is not record of any such association registered with the IPA
- On 19 September 2024 the Guardian newspaper reported that Mr. Chillion Biloi was Chairman of Mt. Kodu Landowners – according to IPA records Mt Kodu Landowners is not a registered entity.
- On 23 September 2024 the Post Courier reported that Mr. Sam Dabave was Chairman of the 'Kodu Resources Owners Association - according to IPA records the Kodu Resources Owners Association is not a registered entity.

According to IPA records a Nauro Resources Owners Association Inc (5-125690114) was registered on 4 December 2023 for the purpose of 'Economic, social and community development.' The association has 13 committee members who all live at Nauro, Manari Ward (23) Koiari LLG, Port Moresby, Kairuku-Hiri, Central, 121 PNG

According to trekkers blocked at Ofi Creek the villagers manning the blockade were acting under instructions from Peter Malik in Port Moresby.

Peter Malik

The former CEO of the PNG Kokoda Track (Special Purpose) Authority, Mr. Warren Barlett, had previously worked in PNG for more than 40 years, firstly as a Patrol Officer (Kiap) and later as a PNG government official. He was well aware of Melanesian culture. On 14 October 2009 he wrote to the new CEO, Rod Hillman, who had been appointed by Canberra:

'According to reports from the Nauro villagers the blockade was being coordinated by Mr. Peter Malik who has a history of disrupting trekking across the Trail.

'I have been noting with concern the demands being made by Peter Malik over a considerable stretch of the Kokoda Trail.

'When I walked Kokoda - Owers Corner with the original KTA board members in June, 2004, we noted that Peter Malik had cleared and pegged a 6Km stretch of the track commencing slightly south of his new Ua'ule Creek Campsite.

'The boundary did not reach Ofi Creek. Peter had posted a notice at each end of his claimed section of track with a laminated copy of the Certificate of Incorporation of his clan's Aihi Land Group.

'We complimented Peter on the attention he had given to clearing the track and recommended it be allowed to regrow to a nominal width to maintain the spirit of Kokoda and not provide the image of a walk in the park.

'When Frontier Resources began their exploration of Mt Kodu, Peter lost interest in his campsite and KTA and concentrated on assisting the mining company and the benefits which he hoped to obtain as an employee. This arrangement did not last and Peter again took interest in the track. I believe his bush shelters have collapsed and only the camping ground exists today.

'Peter Malik's parentage is father from Madang and mother from Ioribaiwa. Land ownership amongst the Koiari is via patrilineal descent and not matrilineal. Peter would have land ownership rights in Madang and not Koiari.

'In 2005, Peter was involved in a clan dispute with clan members from Brown River over land ownership and one person was killed and others injured.

‘Peter Malik was accused as the instigator of the incident and the murder. When the Police investigated, Peter disappeared.

‘Early 2006, Peter approached KTA office and advised that the parties had come to an agreement and wished to close the matter by a cash settlement by both parties. As neither party supposedly had any funds they had decided to ask KTA for K1,000 which both groups would share K500 each.

‘As KTA wanted the dispute resolved to ensure that the trekking industry would not suffer, KTA decided to pay the K1,000 to Peter Malik for which he signed. As it turned out, Peter kept the K1,000 for himself and the other party missed out.

‘The payment of the K1,000 to Peter Malik was made from KTA cheque # 48058 dated 1 February, 2006. If KTA's Finance/Admin Manager, Michael Rui, looks up the cheque requisition on the Arch File for that period, he will locate documentation and claim letter from Peter Malik.

‘The Police had still not apprehended Peter for the murder and Peter would disappear for weeks and months when the law got too close.

‘I believe Peter Malik was recently apprehended by the Police as his wife was seeking assistance for bail money. His apprehension may not have been in relation to the murder charge.

‘Peter has a love/hate relationship with the trekking industry and KTA. He is a forceful character and has become the self appointed leader of his adopted clan. Under customary arrangements of the Koiari tribe, he would not have land ownership rights but usufructuary rights to use the land for hunting, gardening and possibly business activities. Culturally, he would not have the ability to remove clan landowners such as Dobu and Ruben (who has also been threatened to vacate his campsite).

‘The community meeting of clan landowners should determine the fate of Dobu and possibly Ruben and other campsite landowners on land claimed to be owned by Peter Malik (or Peter Malik's Clan) and not by a small gathering in the KTA office on Tuesday 13 October, 2009.

‘If Dobu Buai is aggrieved by any unfavourable decision, and has sufficient support of his clan, he can take the matter to the District Land Court and possibly the Land Titles Commission.

‘Dobu und his wife have been very supportive of the trekking industry and many trekkers camp at Ofi Creek. Trek Operators will also be saddened and annoyed by the current events, which could have been overcome if KTA had a Dispute Settlement Committee of leaders, councillors and KTA board members from applicable areas along the track who would tackle any such problems on location and not in the KTA office. Such was the case between 2004 and 2007.’

Bartlett was referring to the fact that Malik had put a claim over Dobu Buai’s campsite nearby at Ofi Creek. When it was resisted he moved in and burnt it down.

Malik disappeared soon after due to the Police trying to track him down for his alleged murder of a Kokoda villager.

Malik has form in the area of trying to hold the government and Kokoda tourism to ransom for his own benefit.

On 30 June 2000 the Post Courier reported:

‘Villagers along the famous Kokoda Trail will not re-open the track unless the Australian Government decides to discuss development issues with the people. That was the word from Peter Malik, a representative from the Ioribaiwa village along the trail. Mr Malik was among councillors from villages along the trail who met Central Governor Opa Taureka in Port Moresby yesterday to discuss the lifting of the ban along the trail.’

On 21 August 2000, Malik, who claimed to be Chairman of the Aihi Land Group Inc. reassured the Governor of Central Province the ban on trekking had been lifted and that:

‘We assured our Government of Papua New Guinea and the Australian High Commission that this sort of matter will not take place in the near future.’

The IPA does not have any registration for any Aihi Land Group Inc.

Need for a Joint Parliamentary Inquiry

The circumstances leading to the payment of compensation, the amount paid, and to whom should be the subject of a joint PNG – Australia parliamentary inquiry.

The Terms of Reference should include

1. a copy of the National Executive Council Minute which approved the compensation package; the amount approved and any conditions that might have applied to it.
2. The names of landowners and details of any individuals, financial advisors, government officials or business enterprises they might have engaged, partnered, or contracted with regarding the management of the compensation package they received.
3. Details of any loans provided to individuals along with repayment schedules and details of any outstanding amounts.
4. Details of any ‘landowners association’ related to Nauro landowners and their registration with the Investment Promotion Authority (IPA).
5. Registration details of any company the Nauro landowners might have registered with the IPA to manage the transport business they were reported to invest in.

It also needs to be determined as to whether the compensation package they received was K6 million as originally advised? Or K10 million as recently reported? And are they owed an additional K40 million as now claimed?

Under the original offer proposed by Frontier Resources a percentage of the royalties generated from their proposed mine was to be shared to all landowner communities across the Trail

Given that it was the intervention by the Australian Government that resulted in the withdrawal of the mining company’s Exploration Licence one would expect they would have contributed to the compensation package. They should therefore be asked to advise the circumstances of any contribution they might have made, and how much.

Conclusion

The Nauro blockade is the culmination of a dysfunctional management system imposed on the Kokoda Track Authority by the Canberra in 2009. Since then trekker numbers have fallen by 46 percent which has resulted in a cumulative loss of almost \$20 million in foregone wages, campsite fees and local purchases across the Trail.

This has been compounded by the fact that the 80 percent of trek permit fee income originally quarantined for community development across the Trail now circulates in Port Moresby. Nobody knows where the money goes because the KTA has not produced an Annual Financial Report since Canberra took control in 2009.

The Canberra funded Kokoda Initiative has also failed to publish any form of cost-benefit analysis for any aid funded projects across the Kokoda Trail or detailed financial reports for all expenditure they have incurred under their since 2009.

As a result, the two key stakeholders in Kokoda tourism, tour operators who generate the income for the industry, and traditional owners of the land sacred to our shared wartime heritage have been treated like mushroom i.e., kept in the dark and fed on shit, since they took control of the Kokoda Trail in 2009.

Their dysfunction has been recorded on this link: [The Kokoda Trail: Chronology of Mismanagement 2009-2019.](#)

Recommendations

1. The charter for the 'Kokoda Initiative' be limited to our shared wartime heritage across the Kokoda Trail between Owers Corner and Kokoda, and the highway between Kokoda and the Battles of the Beachheads at Buna and Gona.
2. A Joint Agreement be developed to commemorate the shared wartime heritage between Australia and PNG.
3. Transfer of responsibility for the management of the Kokoda Trail from DPLLGA-CEPA to TPA to enable it to be managed as a pilgrimage tourism enterprise.

Hon Charlie Lynn OAM OL
26 September 2024