

2018 APEC CEO Summit – Port Moresby, Papua New Guinea

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**Address by Sandeep Biswas, Managing Director and Chief Executive Officer,
Newcrest Mining Limited.**

“Managing Resources, Securing the Future”

***Dialogue on strategies to promote the inclusive, sustainable development of the
resource industry***

Prime Minister O’Neill, Government Ministers, Governors and other leaders of Papua New Guinea, business leaders, ladies and gentlemen,

As you have just heard, Newcrest operates in many countries around the world, including three APEC economies.

I am proud to be here today in Papua New Guinea.

PNG is a special place for Newcrest and for me personally.

Newcrest has been in PNG for a decade now.

Our operations and exploration interests here continue to grow.

Newcrest’s Lihir mine – which has seen a notable turnaround since we bought it in 2010 – is the biggest gold producer in PNG.

We are a 50:50 joint venture partner in the exciting new Wafi-Golpu project in Morobe Province.

This project has the potential to open a new chapter in our long-term commitment to the people of PNG.

We want to partner with PNG for many decades to come.

That’s why I am so pleased to be standing alongside the Government and people of PNG during this APEC Summit.



Hosting APEC is an opportunity for PNG to showcase its credentials as a vibrant, and stable investment destination.

As a longstanding operator in PNG, Newcrest is familiar with both the challenges and the immense opportunities here.

We are proud to support the Government through Platinum Sponsorship of this Summit.

We are committed to seeing PNG succeed –

Not just at hosting APEC – but in its broader aspirations for development and prosperity.

PNG is a mature, well-managed investment environment.

PNG has world-class mines to show for it.

Throughout its APEC host year, this country has worked to signal that it is open for business.

Prime Minister O'Neill has consistently emphasised that, in a world of mobile capital, countries are essentially in competition for foreign investment.

Governments that want to succeed in attracting and maintaining foreign investment – and all the benefits that come with it – need to ensure a sound legislative framework.

Here in PNG, we are encouraged by the messages sent by this country's senior leadership about their desire to set the right conditions to attract responsible, sustainable miners to develop its mineral wealth.

For example, amidst a robust and democratic national debate about what constitutes an appropriate share of resource revenue between the nation, landowners and developers, Prime Minister O'Neill and other senior leaders have consistently reiterated the Government's commitment to consultation with industry.

They have also provided assurances that any changes should not affect established operations and advanced projects.

And the Government has clearly indicated an intention to leverage international expertise in reviewing proposed changes to relevant legislation.

This is an enlightened leadership approach that has the country's overall economic interests at heart.

And that's what gives us confidence to continue to invest in Papua New Guinea.

Turning to the theme of this session, let me share some thoughts on sustainability and the resources industry.

Sustainable mining is not just 'the right thing to do'.

Sustainable mining is safe and profitable mining for the Governments where we operate, the people we work with and the communities we engage with.

At Newcrest, we have embedded sustainability as one of our key pillars.

In November last year, we were granted admission to the International Council on Mining & Metals, or ICMM.

In July this year, ICMM launched a report on Social Progress in Mining-Dependent Countries.

The report examined trends across a broad set of socio-economic indicators in countries with a sustained history of resource dependence over the past 20 years.

This included the APEC economies of Australia, Brunei, Chile, Indonesia, PNG, Peru and Russia.

It investigated whether an abundance of mineral resources hinders or enhances the economic progress of a country. The study also focused on how social development has progressed in resource-rich countries – looking at metrics such as access to food, life expectancy, health, education, water, and sanitation.

Some of the key findings of the report were:

- Firstly, mining-dependent countries made substantial social progress over the past two decades. Progress included improved infrastructure; access to affordable and clean energy; and higher standards of health and well-being.
 - People in these countries were generally healthier, wealthier, and better educated.
- Secondly, socioeconomic progress across mining-dependent countries was strong when compared with the progress of other countries around the world.
 - In particular, there was notable progress in providing clean and affordable energy, poverty reduction, access to clean water and sanitation, provision of decent jobs, access to ICT and financial infrastructure, governance and gender equality.
- Finally, countries where positive social progress was apparent, also saw progress at the subnational level, revealing that social progress in mining-dependent countries does filter down to the regional level.

The ICMM study demonstrates the benefits mining delivers.

I think all responsible mining operators can say that our operations generate economic and social benefits at our sites themselves;

And that more benefits then flow from that economic activity to the local communities where we operate, and eventually to the country at a national level.

I'd like to give you a few examples from Newcrest's operations, with particular reference to PNG:

Our sites provide invaluable opportunities for employment, training and business development.

Our employees are trained and guided to achieve their best, and encouraged to move into senior technical and leadership positions.

For example, some 5,000 Papua New Guinean employees and contractors work at Lihir: around 90% of our workforce there.

This goes all the way up to our Mine Manager – Iso Ealedona, an enormously talented Papua New Guinean, performing one of the highest managerial and technical roles at the site.

And I believe two of our younger employees are here today, as part of the APEC 'Voices of the Future' Youth Forum – Stanley Daimol and Bertha Mange –

It's great to know that the future leaders of our mines are already preparing for success in this global economy.

At the community level, our operations generate extensive social and economic opportunities to help local communities thrive, often in remote areas where government services don't yet reach.

Our operations themselves bring considerable infrastructure, including roads, bridges and airports. We also invest in community infrastructure, including for health, education and water and sanitation.

For example, last year, we spent 53 million Kina on community infrastructure in New Ireland Province, including under the PNG Government's Tax Credit Scheme. In one of these projects we built 273 latrines and 41 rainwater catchments, benefitting over 1,000 people.

Our Medical Centre at Lihir sees more than 50,000 people each year, from across New Ireland and beyond. Last year, more than 400 babies were born at the Medical Centre and more than 6,600 children were vaccinated.

We also invest in livelihood programs for the communities around our sites.

For example, the Wafi-Golpu Project will help to unlock the agribusiness potential of Morobe Province.

We are already working with around one thousand cocoa-growing families, and we see this as just the start of a thriving agricultural industry which will be enabled by the presence of the mine.

For those of you visiting PNG, I encourage you to try the Queen Emma chocolates.

I can recommend the Lower Watut single origin chocolate.

It is sourced from these cocoa farmers, thanks to the Wafi-Golpu Joint Venture.

Industry contributions don't stop at the mine.

All responsible miners look for ways to partner with our host governments to support their own national development objectives.

We have a strong interest in the social and economic development of our host countries.

We want to operate in countries that are growing and thriving.

So here in PNG, in parallel with the contributions which flow from our sites, Newcrest has a national social investment strategy for targeted investments across the country.

Our investments focus on areas such as health, education, empowering women, and public-sector capacity-building.

For example, last year we partnered with KTF to train over 900 teachers in Morobe and New Ireland. We have sponsored twenty Australia Awards scholarships for studies in nursing and midwifery. We fund community health worker training. We have supported local NGO *Femili PNG* to increase outreach to survivors of domestic violence. And I'm pleased to say our Lihir Medical Centre has been working with PNG authorities to support the polio vaccination campaign underway.

We aim to make a real contribution to PNG's development outcomes at a national level, consistent with our status as a committed, long-term partner.



As an industry, mining can make a tremendous contribution to sustainable growth.

As an industry, we are here to work with partner governments across the APEC region to achieve that growth.

From Newcrest's perspective, we can assure all APEC economies of our commitment to be a good partner: To deliver sustainable and inclusive benefits to the communities, governments and economies where we operate.

End.