

IN THE RACE TO NET ZERO 'COPPER IS THE NEW OIL' - BUT AT WHAT COST?

13th December 2021 | By Claire Burgess, University of Tasmania, PhD Candidate in Geography and Liz Downes, Rainforest Information Centre. Supported by Aid/Watch

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What is driving the copper mining boom?

New green economies are responding to the [climate crisis](#) by promoting policies that advance a transition from fossil fuels to raw material-dependent 'clean' energy technologies. This is accelerating a global mining boom. There are [emerging concerns](#) about the socio-ecological implications of the intensification of destructive mining activities in the name of climate action. [Green growth proponents](#) are seeking to advance mining companies' operations into new areas for metals extraction. This is already impacting the global south and Indigenous lands, where billions of tonnes of reserves for critical minerals are "[yet to be discovered](#)".

Copper, according to [Goldman Sachs](#), 'is the new oil' deemed most important for decarbonisation. Demand for the metal, used in large quantities in wind, solar, electric vehicles and energy infrastructure, is set to increase by 600% by 2030. Wealthy nations and companies associated with copper related products are by proportion the highest consumers of the metal, and so are [generating most of the demand](#).

Can copper mining be green?

The planetary footprint of 'clean energy' technologies has been largely dismissed by green growth proponents. Aside from relying on energy-intensive operations, copper mining has also been often linked to [human rights abuses](#), [ecological destruction](#), [pollution](#), [environmental conflict](#) and the exploitation of less powerful nations by foreign transnational companies and associated stakeholders. This has created extractive enclaves that provide little benefit to local economies while facilitating the [unsustainable production and consumption](#) patterns which are occurring largely in wealthy nations. The sheer destructive nature of copper mining requires the disruption of massive quantities of earth destroying the living components of ecosystems and their material foundation - rendering the capacity for

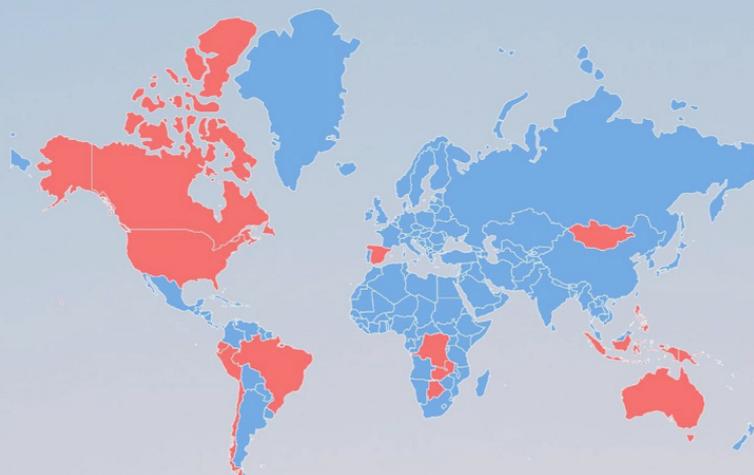
"sustainable" mining impossible. Within this context, Australia is pegged by industry experts and propelled by their ally the United States to play a key role in securing access to key transition minerals.

Australian 'Green' Copper Context

Australia holds a 24 per cent share of global copper production and is in a [strong position to increase GDP](#) by 1% purely from mining transition minerals. Several of the largest copper mining companies in the world are Australian-owned and operated, such as Rio Tinto and BHP Group Limited with exploration projects and productive mines domestically and overseas. Newcrest, Sandfire Resources and OZ Minerals, are also significant. These companies saw large rises in [share price](#) through 2021. Industry analysts predict a [green renewables super cycle](#), with capital switching from oil-related assets to copper-related assets.

Despite the Australian Government's continued approval of new [fossil fuel projects](#), there is a rapid increase in mining of transition minerals by Australian companies, both domestically and overseas. This is largely supported by the [Federal government](#), the dominant media conglomerates, [mining industry bodies](#), and "clean" energy proponents. The [Department of Foreign Affairs and Trade](#) (2021)

AUSTRALIAN MINING COMPANY'S COPPER MINING & EXPLORATION HOTSPOTS



talks of 'emerging bilateral links in green energy and connectivity'. Additional key players driving this market include allied governments (eg. UK, U.S) who seek to secure access to critical minerals, [international corporations](#) and powerful transnational financial asset managers.

As Australian mining companies [expand their operations](#), governments are increasingly focusing on producing 'investor friendly' regulations and jurisdictions. Trends emerging with the global rush for 'clean energy' minerals include collaborations across supply chains [between industries and governments](#) to ensure competitive market access to land and natural resources for critical minerals through "community engagement" for social licence.

Despite the efforts to "green" copper, the industry has largely remained the same with regards to generating [severe impacts](#) to drinking water aquifers, contamination of farmland, contamination of fish and wildlife and their habitat, and risks to public health

Australia's copper footprint

The [largest Australian owned copper mines](#) are spread across South Australia (Olympic Dam, Prominent Hill), New South Wales (Cadia Mine), Western Australia (Degrussa mine), and Queensland (Ernest Henry - [Evolution sale to be finalised in 2022](#)). Globally, Australia's largest copper extraction is in the Atacama region of Chile, where the world's biggest copper mine (Escondida - BHP) is located. Companies are also in Peru and Ecuador, the US, Canada, and the Kalahari and Zambian copper belts (Botswana, Namibia, Zambia and Democratic Republic of Congo), Philippines and Papua New Guinea.

CASE STUDY - DOMESTIC

Lake Torrens (SA) Copper and Cultural Heritage

A large ephemeral salt lake in central South Australia (SA), of significance to local Aboriginal groups, is under threat from mining. The deposit of copper, gold and iron-oxide is estimated to be Australia's largest. The area has been subject to the granting of [282 exploration licences](#) over areas of Lake Torrens since the early 1970s. In 2020, Premier Steven Marshall approved permits and a grant for [\\$320,000 for exploration drilling](#) for the Kelaray company (a subsidiary of Argonaut Resources) to drill in Lake Torrens, for the [Murdie Project](#).



LAKE TORRENS, SOUTH AUSTRALIA. CREDIT: WILLOW IMAGES, FLICKR

A [Supreme Court ruling in 2016](#) that stripped the land title rights held since 1993 from the Kokatha, Barnarla and Adnyamathanha/Kuyani peoples made way for future mining in the region. Sacred sites have been [approved for destruction](#) by the minister despite recommendations against approval from the heritage committee. A number of legal cases have been launched to challenge this decision. Despite opposition, [drilling commenced at Lake Torrens](#) in March 2021. [Local Aboriginal traditional owners](#) have raised concerns over disrespect of sacred sites and failed promises across this mining region. SA has branded itself as a "clean energy" exemplary state, however much of the policies are predicated on [mining for copper](#). SA aims to produce [1 megatonne per annum](#) by 2030 to meet global and domestic 'green copper' demand.

CASE STUDY - INTERNATIONAL

Andean Copper Belt - Ecuador

The bulk of Australia's copper investment overseas is currently in Chile, the biggest producing country of the "Andean Copper Belt." With major mines such as BHP's Escondida coming to the end of their productive life, Ecuador is an emerging exploration hotspot for new copper investments. Since 2016, around seven million hectares of land in Ecuador has been sold, under zero public scrutiny, to mining companies keen to take advantage of the country's promise of untapped reserves of copper and other base metals. Ecuador expects mining investments to [reach \\$US 4.2 billion](#) by 2025.

As of November 2021, Australian companies [held 33.3% of total mining concessions](#) with the biggest footprint belonging to SolGold. SolGold's flagship project, Alpala-Cascabel, is [slated to become](#) the world's sixth largest copper producer. While investors

talk up Cascabel's potential, reports [cite concerns](#) about the project's environmental assessment process and its proximity to existing mining conflict zones near the Colombian border. Other major Australian companies in Ecuador include BHP, which has sparked [significant community resistance](#), and Hanrine, subsidiary of Hancock Prospecting. Hanrine's activities have recently been the locus of armed [conflict](#) and [human rights abuses](#). All the above projects are located in one of the world's most biodiverse regions, with over 270 listed endangered species, many endemic to habitats within the mining concessions.

View other case studies here [\[link to be added\]](#)

COUNTER-NARRATIVES & ALTERNATIVES

The dominant narrative about humanity's relationship with the natural world that we are deeply intertwined with and dependent upon needs to be re-imagined. This should start with challenging the assumptions often made in settler colonial cultures such as Australia. Movements resisting the expansion of extractivism for 'critical minerals', especially on Indigenous lands, smallholder farmers and fisherfolk across the globe are frequently centred around messaging which refers to the value of land, livelihoods and water over the minerals being extracted.

- In Australia [Regenerative Songlines Australia](#) aims to weave together a continent-wide network that connects regenerative practice and programmes, led by First Nations peoples and inclusive of all Australians.
- In Papua New Guinea, a collective of tribal groups along the mighty Sepik River have formalised the [Supreme Sukundimi Declaration](#) which enshrines cultural obligations to the guardians of the land, ancestors and future generations. This outlines 'no go' zones for extractive development and commitments to protect and celebrate life in the Sepik region.
- In the Intag region of Ecuador, the [Sanctuary of Life initiative](#) has been created with support of local governments to help communities resist the onslaught of mining by employing local people in ecotourism projects, attracting scientists to research the region's biodiversity, and advancing legal arguments around the rights of nature.

- "Water is Life" movements are growing in several places around the world, [promoting water](#) as being more valuable than metal commodities due to its sacredness and importance for life, livelihoods and ecosystems.

For more examples, view the [Yes to Life, No to Mining - emblematic alternatives](#).

CONCLUSION

Wealthy nations' demand for a 'green growth' approach to climate action is driving an increased demand in copper. Australian mining companies are seeking to extract these minerals with the support of allied countries (US, UK) to secure 'critical' mineral supply chains. Australia's mining industry players are facilitated by investor-friendly policies determined through strategic trade agreements with less powerful countries who have mineral reserves. Australian companies' credentials and pro-mining policies are increasingly being marketed as 'essential' for a 'clean and green' future. However, the reality on the ground is often far from the image that is presented.

As the [A Way Forward](#) report outlines, Aboriginal Cultural Heritage legislation across Australia is not fit for purpose and allows minister discretion for industry to obtain approval for destroying sacred sites. Furthermore, there is a culture within the Australian mining industry of misleading communities, both domestically and overseas. Government regulations currently fail to protect the 'Right to Say No' which is implied in Free Prior Informed Consent (FPIC) described in the United Nations Declaration on the Rights of Indigenous Peoples. Developing countries are often locked into short-term boom and bust industrial arrangements that leave in their wake legacies of human rights violations and ecological destruction.

The numerous case studies of copper mining demonstrate evidence of impacts upon local ecosystems including water depletion, polluted waterways, deforestation, biodiversity loss and contaminated soils. Human rights related implications include militarised violence, increased threats toward environmental defenders, forced displacements, negative health impacts and risk to life and livelihoods.



"WATER IS LIFE" NATIONAL MARCH AGAINST MINING, ECUADOR, 2018. PHOTO: CARLOS ZORRILLA

RECOMMENDATIONS AND OBJECTIVES

- 1. Australian companies must be held responsible for their domestic and overseas impacts on people and the environment.** This requires the Australian government to improve oversight and independent monitoring of company activities to ensure diligence with regards to legal obligations in host countries and internationally.
- 2. Communities harmed by overseas Australian investments, operations or activities must have access to justice within Australia.** This should include the introduction of mandatory human rights and environmental due diligence obligations for large Australian companies especially those operating in high-risk locations and sectors.
- 3. Australian climate policies must be centred on justice and equity.** This should include exposing and holding to account all misleading branding of “clean” energy and “renewable” technologies. Justice and equity must be centred across all value and supply chains of the transition to prevent further global intensification of destructive extractivist practices, particularly in vulnerable ecological and cultural regions.
- 4. To endorse, amplify and advocate *A Way Forward* report.** The report calls for an overhaul of Australia’s cultural heritage protection regulations and a review of the *Native Title Act 1993* to address power imbalances in negotiations based on free, prior and informed consent.
- 5. To endorse, amplify and advocate for *Red Lines for Extractivism*.** A statement written by a global coalition of frontline groups for the COP26 People’s Summit 2021.
- 6. To endorse, amplify and advocate for the creation of a ‘circular society’.** This has been presented in a War on Want, London Mining Network and Yes to Life No to Mining joint report *A Material Transition* (2021), calling for high consuming countries to take responsibility for their over-reliance on finite resources. Recognising that a fundamental change to Global North economies and lifestyles is the only sustainable option for reducing the demand for critical minerals.
- 7. To build networks of solidarity centred in justice.** This must be built across Australia and internationally in collaboration with environmental and human rights defenders, Indigenous peoples, fisherfolk, campesino groups and frontline communities. Where their value-based systems centred in reciprocity and custodianship are respected in their resistance against mining and other extractive projects in their lands, mountains, rivers and waters.
- 8. To stand with communities in their ‘Right to Say No’.** This must include the right to self-determination, collective rights, and the right to self-govern based on principles of sustainability and care for humans as well as non-human living forms.

JOIN US IN SOLIDARITY WITH COMMUNITIES ON THE FRONTLINES OF GREEN EXTRACTIVISM



www.aidwatch.org/alternatives-to-green-extractivism