

# Bush Bugarup

When the ABC *Four Corners* programme 'Bush Bugarup' was shown in May, it stirred a controversy in PNG and headlines in the press. But it wasn't mentioned by the Rimbunan Hijau-associated *National*. This is an edited extract from the script, published for the first time.

By DEBORAH RICHARDS

Through the millennia New Guinea stood shrouded and aloof. While the rest of the world hurtled through the industrial revolution into the 20th century few outsiders penetrated this island's dark heart. By oversight or design, this is one of the four largest intact rainforests left on earth.

Just last year a previously unknown tribe made first contact and in this vast tract of Asia-Pacific forest, plants and animals are still being discovered unknown anywhere else on earth. From the canopy to the forest floor lives a showcase of the rare, the exotic and the beautiful. It's one of the richest life systems left on earth.

John Firomo and Albert Hombinungi can tell you everything about their part of the forest — which plants cure disease, where to catch wallabies, and if the hunting's good, how to cook and eat one. Like their ancestors before them it's an abundant wealth they expect their children to inherit. But the lifespan of that heritage now can't be counted in centuries, or even decades, but in years. Timber is the new gold and there is a ferocious rush to grab it.

This single rosewood tree has a premium value internationally — on some markets it will fetch a princely sum, currently about A\$2000. As other sources of tropical timber dry up its value is skyrocketing. New Guinea's forests are now valued at up to \$200 billion. It's a bonanza that has unleashed a killing field.

Papua New Guinea is reeling from the shock of a new colonialism. Asian companies — mostly from Malaysia — haul out its riches and ship them to Japan. The mighty Japanese timber mills chew up whole forests each year, spitting them out as disposable chopsticks or construction formwork which ends up being burned. Japan has an endless hunger for tropical logs.

Papua New Guinea is one of the few countries in the world that still supplies them. In just three years exports have trebled and that has rapidly turned the country into one of the last rainforest frontiers. Right at the front line is New Guinea's Minister for Forests. Tim Neville, born in the Papua New Guinea Highlands, is battling to control it.

TIM NEVILLE: *It's been out of control since 1989. The industry over the period of time has an attitude of 'don't care less' have done what they want to do. They've just carried on as though they actually own the whole operation, they own the country — they do what they want to do.*

Papua New Guinea has 18 million hectares of exploitable forest. In just a few years a third of this whole resource has already been grabbed by the timber tycoons of Asia and the pressure to get at the rest is unrelenting.

NEVILLE: *The way they've been behaving is basically pirates where shiploads of equipment have just turned up in remote ports and they've just offloaded it and started to walk it into the jungle. In the past it's never been controlled, no-one's taken it up. If the pressure started to come on a few dollars would sort of float around immediately and things would be all OK.*

Not surprisingly the industry rejects the charges of piracy. Francis Tiong is managing director of Rimbunan Hijau, the most dominant and aggressive company operating in PNG.

FRANCIS TIONG: *There are rules and regulations we have to follow and obligations that we have to deliver. We've been very professional in our work. There is no apparent reason why [Tim Neville] has to be very critical of us.*

Rimbunan Hijau was built and is still controlled by Francis Tiong's uncle, Datuk Hiew King Tiong, who is a towering presence in Malaysia's timber business. His companies bring a formidable reputation from Malaysia.

SIM KWANG (Malaysian opposition personality): *Ruthless. Successful. Aggressive. Certainly they've proved themselves capable of reaping very huge profits within a very short span of time. We have had instances of the indigenous communities living within the concession areas making claims against the company for violation of land rights or pollution of water supply, or destruction of game. And we found Mr Tiong a very difficult man to negotiate with.*

Datuk Tiong is a recently retired senator in the Malaysian Government appointed by the King. Yet few Malaysians have ever heard of him. His connections go right to the top of Malaysia's power structure. Prime Minister Mahathir Mohammed opened the Tiong's new plywood factory. Three recent business associates were sons of the prime minister.

SIM KWANG: *It's an all-encompassing network of patronage from the politicians on top down to the village headmen where they are operating.*

From his headquarters in the remote river town of Sibul, in Sarawak, Tiong established a network of small companies that added together make up one of the largest tropical timber empires in the world and a personal fortune estimated at \$1 billion.

SIM KWANG: *Rapid, dramatic emergence. I mean in the seventies we hardly heard of Tiong and his family. And in the nineties he's the major domo in the industry.*

The world focused on Sarawak's forests in the late 1980s as Penang and



Kayan people took up blowpipes against the bulldozers. World pressure stemmed wholesale forest destruction. Malaysia banned log exports from most areas. By the end of the eighties the squeeze was on for the loggers to find new fields. Datuk Tiong made a strategic thrust to Papua New Guinea using a familiar tactic.

The assault on PNG forests came with a rush. A myriad of companies popped up logging all over the country. But what no-one realised was that in fact they weren't separate operations at all. Behind them stood one parent — the Malaysian logging giant Rimbunan Hijau. And ironically RH means 'evergreen forest'.

From their typically low profile headquarters in Port Moresby, Francis Tiong now operates a vast network. Ninety seven per cent of all the operations are in the hands of the foreign loggers. But it has been hard for the new Forestry Authority to pin down exactly which operators are and which aren't connected to Rimbunan Hijau.

Through tracking company names and cheque numbers and shareholdings, it seems about 50 per cent of the whole timber industry is controlled by Rimbunan Hijau. And a sizable chunk of their permits were acquired when there weren't supposed to be any permits granted by the Government at all.

The freeze on permits followed a watershed report by the Barnett Royal Commission. But it was a charade. The industry doubled in size and much of it was Rimbunan Hijau.

NEVILLE: *The processes you have to go through to be able to get permits is extensive. There are proper formats and procedures and they've all been broken in the past.*

FRANCIS TIONG: *We have the manpower, we have the capabilities. We have the financial support. I believe these are all essential factors that you have to have to get things moving.*

It was during the moratorium that Rimbunan Hijau were granted y Hawaiian on the north coast — and they got in as easy as pie. There are no high rises at this Hawaiian; there are broken trees and broken hearts.

No-one here was prepared for the power politics of a billion dollar cash industry. On the village ground \$50 is a fortune and higher than some old folk can count, so how could they place a true value on their heritage? A few promises delivered their forest for a bargain price.

For centuries the forests have provided food and shelter — they've been their supermarket. But now because of policy changes in Malaysia — a country most people here have never heard of — their forests have become a goldmine, and the pressure to get their timber has been fierce. For some people here that's meant opportunity, but it has left many thousands bewildered and angry, and worried for the future of their children.

They may not know it yet, but many of these future landowners have already lost control of their future. For one of the clan leaders, Robert Pasu, it has meant opportunity. Rimbunan Hijau, under the name Sovereign Hill,

Post-Courier Wednesday, May 12, 1994

# Focus falls on forests

OPERATIONS of Malaysian timber giant Rimbunan Hijau in the Lak area of New Ireland are being investigated after Forest Minister Tim Neville caught the company here.

## Under-size logs 'caught' on TV

The incident recorded for the television program provided the latest evidence of...

He added: The way of all timber companies they have been behaving...

and There is no apparent reason why he Mr Neville has to be...

Post-Courier, Tuesday May 11, 1994

# Forest Minister tells of bribes and threats

cc  
at  
an  
ere  
ral  
Cor  
the  
alfa  
Corr

Th  
telev  
night

Forest Minister Tim Neville said he was offered 100 million

By HARRY MOMOS

invited the Four Corners team to see the "wholesale devastation" of PNG's forest resource

Mr Richards reported that authority was

PNG is looked after by his uncle Francis Tiang and only two weekends ago Datuk Tiang paid Mr Neville and Prime Minister Pulus Wiyagi a courtesy call in Parliament. Datuk Tiang reportedly has Malaysian

Papua New Guinea newspaper headlines following the broadcast of 'Bush Bugarup'.

got Robert Pasu on side. They paid for him to register a landowner company — a necessary first step to signing a logging contract. At some stage Robert Pasu enjoyed a fully paid trip to visit Rimbunan Hijau in Malaysia. And it was Robert Pasu who brokered the logging deal with the other landowners. To do that he raised the burning issue of Government neglect.

**ROBERT PASU:** *Our area, our people, have been completely forgotten. Our Government never wanted to build a road so close to our people. We've been really sacrificed for a very long time before.*

**JOHN FIROMO** (a landowner): *Robert talked about a road. He came to my yard and he said, 'You will give me a road, and I will build the road to the inland. My company will build the road to my land, and that will bring the young people back to the villages. He said this, so I said, 'Yes'.*

Sovereign Hill has built the road. But when it came to the deal on royalties it wasn't so generous. Last year for each cubic metre — a lump of wood about the size of a tea chest — the loggers got an average \$200. But the clans got a handsome sum of around \$9. Now the rip-off is dawning on them.

**FIROMO:** *The young people are cross with me because I brought the company in that caused all this destruction to the land. And there is now a conflict over whether the company should go or should stay.*

**PASU:** *If they are attacking the company it is mainly because they are jealous — it is complete jealousy there.*

While the local politics gets more tangled and heated, the foreigners are cutting back. They have already got more than three million dollars worth of timber. And while there is an impasse here Sovereign Hill is moving equipment out. Legally the responsibility isn't theirs — the mess stays with



the landowners.

ALBERT HOMBINUNGI (a landowner): *I don't believe in the company now. They came and sweet talked us. And now they just lead us on.*

Robert Pasu now spends most of his time in Port Moresby where he can be contacted through a subsidiary of Rimbunan Hijau. For Albert Hombinungi and John Firomo, the future is not so clear. The road for which they traded so much is disintegrating as fast as their hopes. Albert signed away his assets with a cross. Now he realises his mistake.

HOMBINUNGI: *I've got 64 logs that were taken, that I tried to track down. But I don't know where they went. I asked the chairman of the landowner company. He said to go and see the manager at Sovereign Hill. So I went to see the manager and he said, 'Go and see your chairman'. So who am I going to get to help from now on?*

Tim Neville has been Forest Minister now for 16 months and is battling to clean up an industry run riot over the country and its people.

NEVILLE: *I grew up with the people and I am one of the people in their traditional systems. And what really hurts and disturbs me is that at the end of the day what is really happening is that our valuable resources are taken away. We have countries from overseas who have lost those resources now turning their attention and focusing on a country like Papua New Guinea. Countries which are trying to rip it out and exploit it to their own benefit and gain. At the end of the day in the long term it will be the people of Papua New Guinea who suffer.*

*As I've been saying to these companies, we want you to do the same — to behave yourselves — when you come to our country. And if you don't like it, then my attitude and the Government's attitude is to pack up and get out.*

While he chooses his words carefully, Francis Tiong believes the minister just likes to be a big shot.

FRANCIS TIONG: *I would take it, he is critical of the industry itself. If the minister is critical then I think it will be some self-centred problems rather than an industry problem.*

SIM KWANG: *Tim Neville has my sympathy if he has the political integrity. Of course, Papua New Guinea is a different country and I shall not interfere in the internal affairs. But you can expect to look at the tenacious will of RH to protect their interests. That has been their pattern in Sarawak. They will stop at nothing to protect their interests.*

Neville has pushed through a raft of reforms which are designed to reign in the rate of logging, and pull the industry into line. He is phasing out log exports to encourage sawmills, investment and jobs. The reforms are also planned to take some of the loggers' huge earnings and invest them in trust funds for landowners' future use. And on this one he lost. The lobbying against it was so fierce that the whole plan backfired.

Minister, you've been in Government now for 16 months talking tough. But daily your investigators in the department are getting reports of illegal

shipments, substitution of timber, transfer pricing and the whole situation on the ground doesn't seem to have changed.

NEVILLE: *I've actually found it terribly, terribly frustrating myself because I come from a commercial background. I believe when you snap your fingers then things happen immediately. Unfortunately, it's been a very slow, painful process. But we are now starting to get on the ground with our staff, with our infrastructure — camps, the employment of SGS [a Swiss monitoring and auditing agency]. So it's all starting to come around now. And I believe over the next six months we have a really difficult time of implementation and you will start to see actual reforms in the field happening.*

One action that has been taken has the industry squealing. The [Forest] Authority found that \$120 million was shipped out undeclared in 1992. So now they're cross-checking all the export documents. If the figures don't add up — the minister will hold up the ship. Over the past six months he has held up several Rimbunan Hijau ships, costing them \$3.5 million in fees.

NEVILLE: *One thing I've found in the past when you talk to people is that you know you can talk and talk until you go blue in the face. But at the end of the day, the only way to control them is through the pocket.*

But playing hard ball with timber barons invites hostile response. In March the Government staved off a Bill which would effectively have undermined all the reforms. The minister believes some of its supporters were 'sponsored'.

When you say sponsored, what do you mean?

*Well it was ... one could only assume that money had to have been put up. And it nearly railroaded your reforms?*

*It certainly did and it was very close to it. It exposed me terribly over that eight months. It had me out on a limb.*

The timber bill was defeated by shoring up numbers behind the scenes. Being Minister of Forests is a powerful position and the currency on offer is high.

*Well, I've had bribes — straight out open bribes of anywhere between a million kina to 20 million kina in any denomination in any currency in the world or any country in the world I should say.*

They were serious offers?

*Oh, they were serious offers alright.*

Who offered them to you?

*Um, that I can't really say.*

Why not?

*Well, because there are investigations and also if we can we will be pressing legal and criminal charges against those people concerned.*

But the minister's reluctance to play the game has upped the stakes. The pressure is relentless and threatening. For the last six months, Neville has had a 24-hour bodyguard.

Mr Neville, the battle has been played very tough. You've nearly lost



your life?

NEVILLE: *That's correct. Twice ... as a matter of fact within a matter of a couple of days. One was outside the Airways Motel in Port Moresby at half past six at night time. Three armed masked men tried to hold me up with brand new pistols. And then two days later outside my own home. When I came home from Parliament, just after finishing a session there, five masked gunmen tried to shoot me.*

*So it has been very difficult. A couple of times I've had to move my family offshore — out of Papua New Guinea to Australia because of the threats.*

Neville raised these threats in Parliament and alleged they were related to timber interests.

NEVILLE: *Well [the threats were raised] because we've done some back tracking through the underground contacts that we have. We have actually caught a couple of the people involved and after questioning it's been taken back to those timber operators.*

Who was behind it?

NEVILLE: *I don't want to expose that at this stage because there are investigations going on.*

But you do know ...?

NEVILLE: *Oh, we've got a very good idea.*

Large scale forestry won't stop under the new plans, but companies are being forced to face up to having rules. Sustainable harvests, the end of log exports and 'downstream processing' is in sight. All the companies who have been exploiting the country's lassitude are still there, only now they're under pressure to buckle under — even, it seems, Datuk Tiong. But if there is a political setback, the whole momentum could collapse.

What do you think will be the consequences if Tim Neville is moved from forestry, or leaves the forestry portfolio?

DR PHILIP SIAGURU (head of forestry at the University of Technology, Lae) *The thing is going to blow up basically. Tim Neville is a tough nut, he has taken a lot of threats and he is still going on. If Tim goes out, unless we get another minister who is just as tough as Tim is now, I feel sorry for the forestry sector in this country.*

Now the world has found Papua New Guinea and the force of the rush is laying it bare. At risk is a global treasure, a nation's sovereignty and the dignity of its people. They've got just one chance to sell the family jewels. Having withstood millennia, now suddenly time is not on the side of the forests or its people.

□ **DEBORAH RICHARDS** is an ABC *Four Corners* reporter. She kindly gave permission for this script extract to be published. Three months after the report 'Bush Bugarup' was broadcast on 16 May 1994, the Wingti Government was ousted from office and Tim Neville lost the forestry portfolio.