

28 February 2003

Hon Dr G I Gallop MLA
The Premier
Department of the Premier and Cabinet
15th Floor, 197 St Georges Terrace
Perth WA 6000

Dear Premier,

THE WEST AUSTRALIAN STATE SUSTAINABILITY STRATEGY: CONSULTATIVE DRAFT

This submission is in response to the invitation to contribute to the development of a sustainability strategy in Western Australia. BHP Billiton Iron Ore has previously provided comment on the Review of the Project Development Approvals System (Keating Review) that foreshadows introduction of a State sustainability strategy. This submission covers the Company's overall position in relation to sustainability.

Background

BHP Billiton has interests in the three types businesses in Western Australia:

- Alumina/Bauxite – an 85 per cent equity share the Worsley Alumina refinery/bauxite mine;
- Petroleum – 8.3 to 16.7 per cent interest in the different businesses encompassed by the North West Shelf Project (operated by Woodside Petroleum) consisting of projects producing crude oil, condensate, natural gas, LPG and LNG; In addition, BHP Billiton's Petroleum Group owns 32.6 per cent, 25 per cent and 45 per cent interests respectively in the Laminaria, Corallina (crude oil) and Griffin (crude oil and natural gas) fields.
- Iron Ore – various joint venture arrangements with supporting infrastructure including 85 per cent interest in the Mt Newman project, the Mt Goldsworthy project, the Yandi project and Mining Area C as well as 100 per cent ownership of the Boodarie Iron hot briquetted iron plant.
- In addition, the Company is undertaking a feasibility study into the development of the Ravensthorpe Nickel Project in the south coast region of the State and implementing a mine closure rehabilitation project with our Beenup minesite in the south west of the State.

Currently, approximately 19% of BHP Billiton's net operating assets globally are located in Western Australia making it one of the largest single investors in the State.

Commitment to Sustainable Development

Our commitment to sustainable development is not only expressed through our internal policies, standards, targets and public reporting (Attachment 1 HSEC Report 2002), but also through our active involvement in external initiatives. Foremost among these has been our membership of the Global Mining Initiative (GMI) which was established in 1998 by 10 of the world's largest mining companies, with the aim of developing a better understanding of the industry's role and responsibilities in the transition to sustainable development in preparation for the World Summit on Sustainable Development.

At a global level, we are working through the International Council on Mining & Metals in developing sustainability principles arising from the GMI process and the Summit itself. At a local level, we are working through the sustainability reference groups of local industry associations in which we participate.

Comments on The WA State Sustainability Strategy consultation draft and process

We welcome the commitment of the Western Australian Government to develop a sustainability strategy and the partnership processes necessary to ensure a successful implementation, and support the general thrust of the consultation draft.

Our submission does not address the specific recommendations contained in the *Strategy* but rather endorses the more detailed submissions of the WA Chamber of Minerals & Energy and APEA. Given the number of proposed actions, and the implications for the operations of government and business, we believe each one should be considered carefully for its contribution to sustainable development, prioritised and introduced in a manner which is aligned with outcomes of other relevant Government policies, reviews and initiatives.

As over-riding comments, we would draw particular attention to the need to:

- develop a Western Australian strategy within a global context given that many of the issues and activities of the State's resources sector are global in nature. For example, the bauxite we mine in WA is used to produce alumina, also in WA, which is then used to produce aluminium in Mozambique (with associated development in one of the least developed countries of the world) that is then used to produce energy efficient (in use) and recyclable materials reducing the ecological footprint of transport systems and the like worldwide;
- review with key government agencies and other stakeholders whether the definition of sustainability in the draft strategy (simultaneous achievement of economic, environmental and social gains) properly or practically reflects the integration between the different dimensions of the triple bottom line and the trade offs which occur to ensure a net aggregate benefit over the long term; and
- consider implementing the strategy through the proposed partnership process with key sectors in two phases, the first to determine principles, policies and governance in each sector and the second to consider "action" recommendations after they have been prioritised and evaluated.

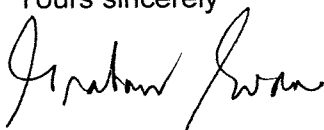
As a comment on process, we have welcomed the level of consultation available to our various business units and relevant industry associations in Western Australia and the proposed partnership process to finalise implement the final strategy.

Finalising and implementing the strategy

BHP Billiton supports the partnership processes outlined in the document in order to successfully finalise and implement the strategy, and is keen to be an active partner.

We can provide further information on our internal and external strategies to assist in this process.

Yours sincerely



Graham Evans

Vice President Government & Community Relations

cc: *Minister for State Development, The Hon Mr Clive Brown MLA*
Minister for Environment & Conservation, The Hon Dr Judy Edwards MLA
Professor Peter Newman, Director, Sustainability Policy Unit

BHP Billiton Contacts:

Corporate, Melbourne:

Ian Wood, Vice President Sustainable Development 03 9609 2839

BHP Billiton – Petroleum (Western Australia):

Diana Russell-Coote, Senior External Affairs Adviser 08 9278 4871

BHP Billiton – Iron Ore (Western Australia):

Stedman Ellis, Vice President External Affairs 08 9320 4297

Gavin Price, Manager Environment & Sustainable Development 08 9320 4024

BHP Billiton – Worsley Alumina:

Lindsay Van Jager, Manager Human Resources & External Affairs 08 9734 8378

BHP Billiton – Ravensthorpe Nickel Project

Ford Murray, Public Liaison Manager 08 9212 1205

Attach: BHP Billiton HSEC Report 2002