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BHP BILLITON WELCOMES DECISION NOT TO DECLARE MT NEWMAN RAIL LINE

BHP Billiton today welcomed the decision by the Federal Treasurer, the Hon. Peter Costello MP, to effectively reject a recommendation by the National Competition Council to declare open access to the company's Mt Newman railway tracks.

BHP Billiton CEO, Chip Goodyear, said the decision reflected recommendations from the Hilmer Committee and the Prime Minister's Export Infrastructure Taskforce that access declarations be applied "sparingly" and in carefully limited circumstances (which is why Part IIIA of the Trade Practices Act is drafted in a way that requires that the decision maker must be satisfied that all of the criteria are met before infrastructure is declared – that is, any doubt must lead to a decision not to declare).

"BHP Billiton has invested more than $2 billion (in today's dollars) developing our rail line in conjunction with our mine and port operations, as a technologically sophisticated and integrated production process. This investment has been supported by our more than 350,000 shareholders and the millions of people standing behind the superannuation funds. Their support is critical as we look for additional opportunities to expand our activities further. This decision should help in continuing to retain their support, while also helping to ensure the ongoing integrity and reliability of the system."

Mr Goodyear also pointed out that a State-based access regime for providing rail haulage services already existed.

"This is a very practical and efficient system that will be much less disruptive to the efficiency of the existing operations. We will continue to work with the Western Australian Government to improve this system further."

Mr Goodyear said that if any appeal was lodged, the company would continue to vigorously defend its position.

"In the case of an appeal, we are confident that the ultimate outcome will be determined in accordance with Australia's best interests. That is, the railway line will not be declared," he said.

Further information on BHP Billiton can be found on our Internet site: www.bhpbilliton.com

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