



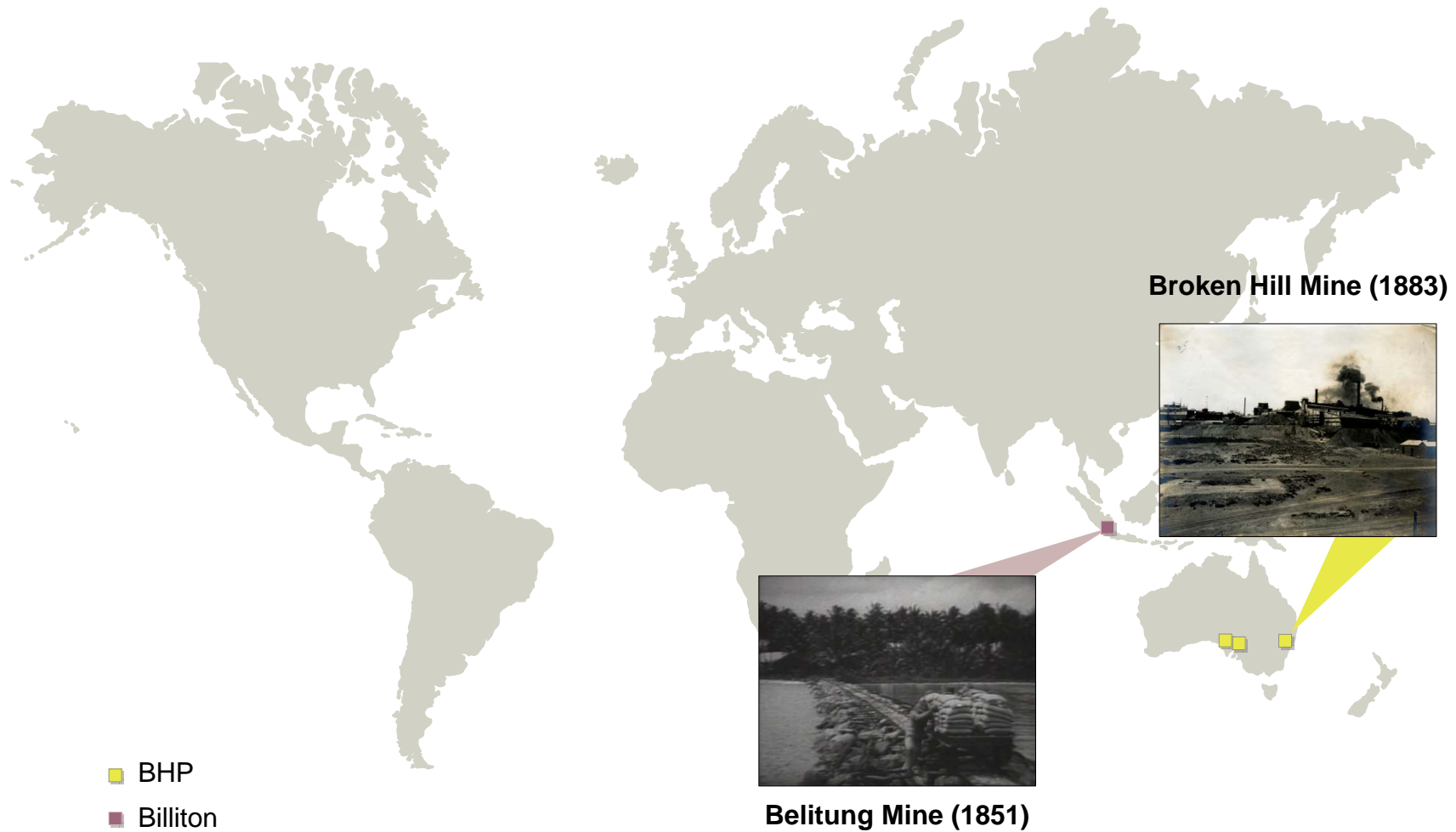
Australian British Chamber of Commerce

Marius Kloppers
15 September 2010

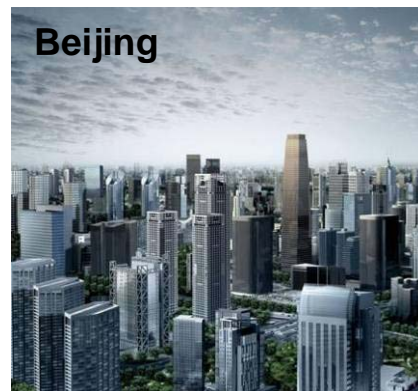


bhpbilliton
resourcing the future

The Broken Hill Proprietary Company Limited and NV Billiton Maatschappij 100 years ago



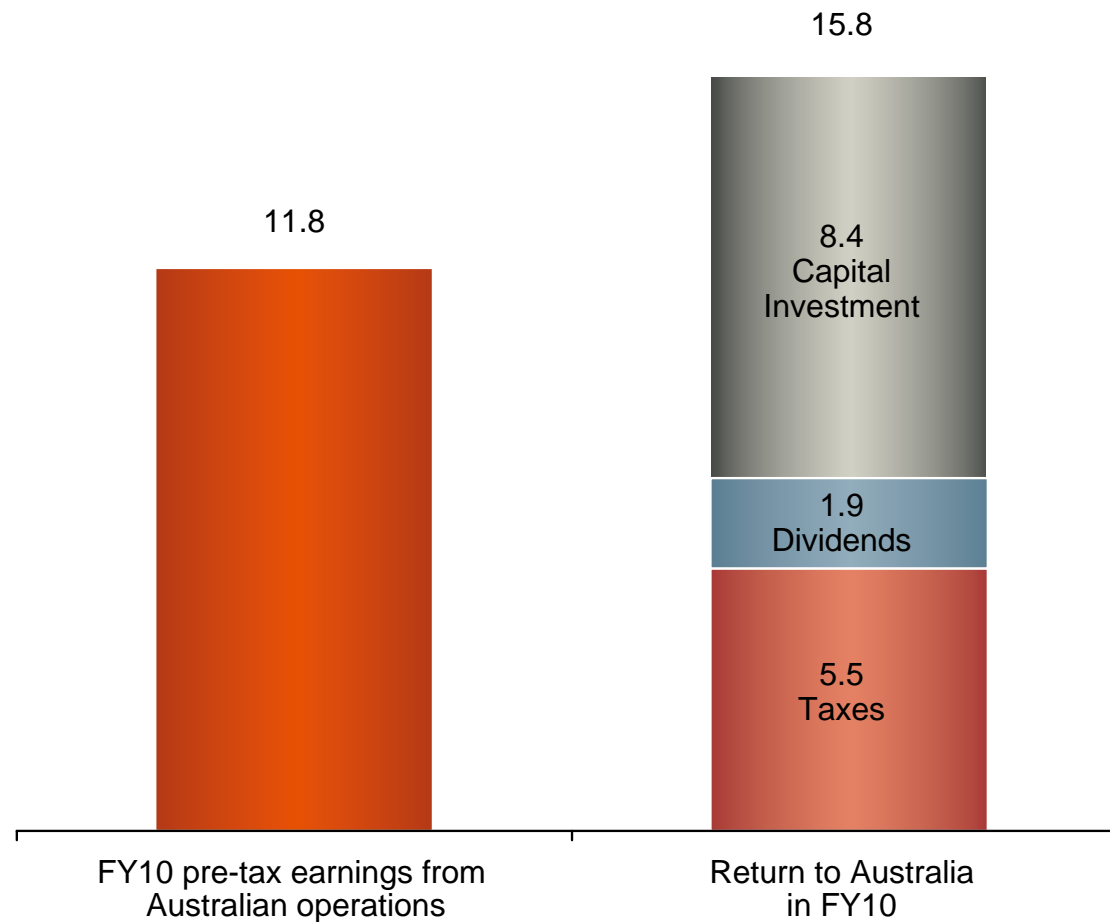
Rapidly rising living standards will bring opportunities and challenges



BHP Billiton contribution to the Australian economy



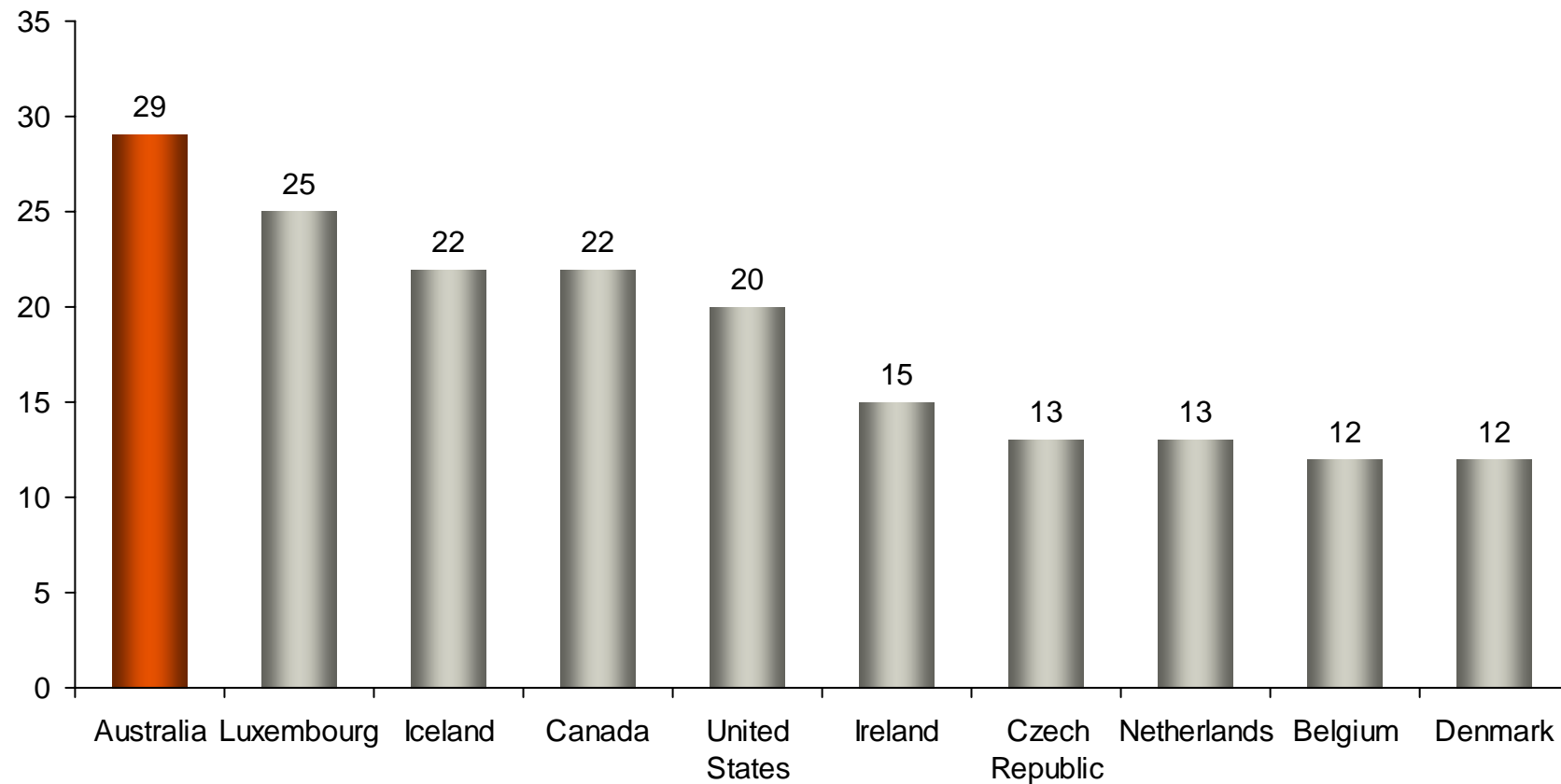
(A\$ Billion)



- We acknowledge that the mainstream science is correct
- We have historically expressed our preference for a unified global solution but recognise that local action is more likely in the short term
- We believe Australia must act ahead of a global solution to maintain its competitiveness

Australia has high per capita emissions

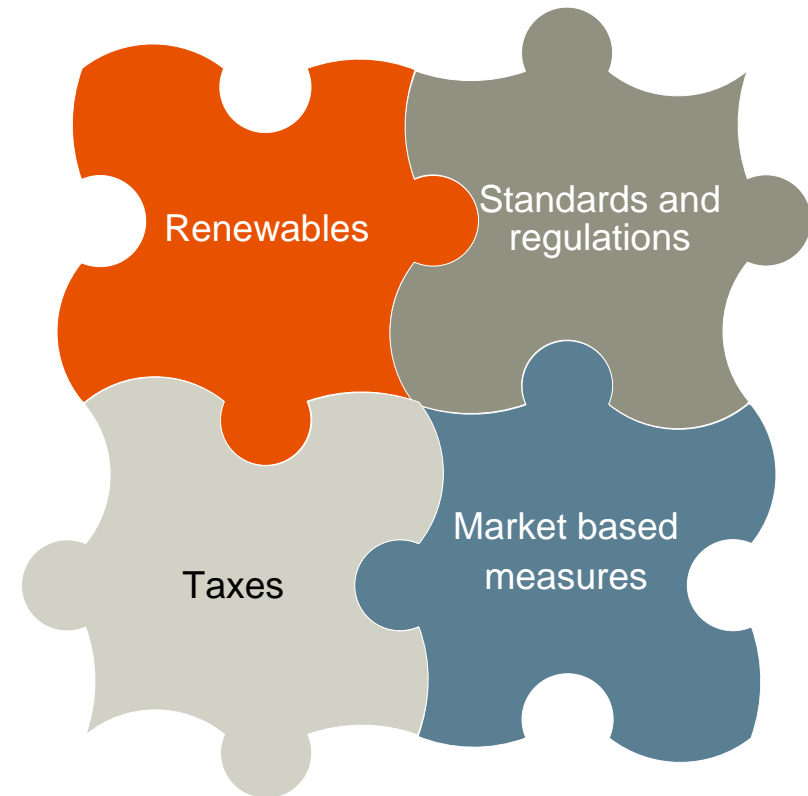
Emissions per capita by Kyoto Annex 1 country - 2008
(Metric tonne of carbon dioxide equivalent per person)



Source: UNFCCC Annex 1 GHG emissions; World Resources Institute, Climate Analysis Indicators Tool; Global Insight; team analysis.

There is no silver bullet for reducing emissions

- Reducing carbon emissions is a long dated problem
- A mosaic of initiatives that collectively achieve the desired result is necessary
- A single encompassing trading system is not the solution

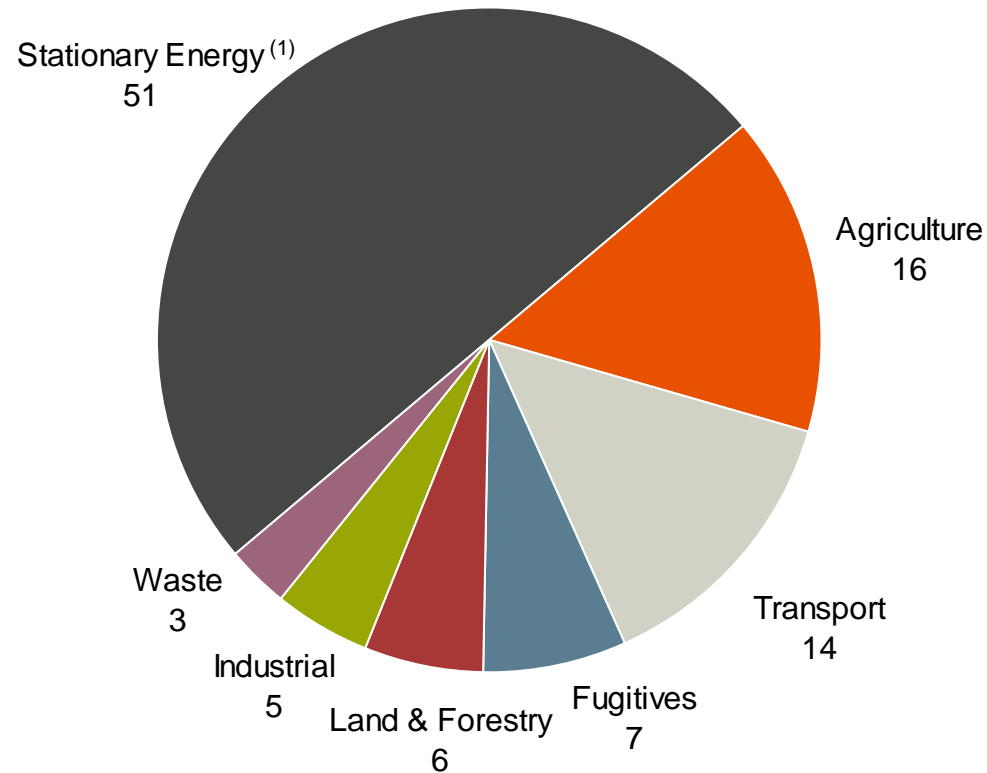


Key considerations for Australia

- Our export-based economy is intrinsically carbon intensive
- Policy choices must be carefully tested and tailored to avoid a negative impact on a carbon exposed Australia
- Infrastructure decisions have long dated impact, particularly in electricity generation

The emissions problem is about energy consumption

Australian net greenhouse gas emissions by sector - 2008 (%)

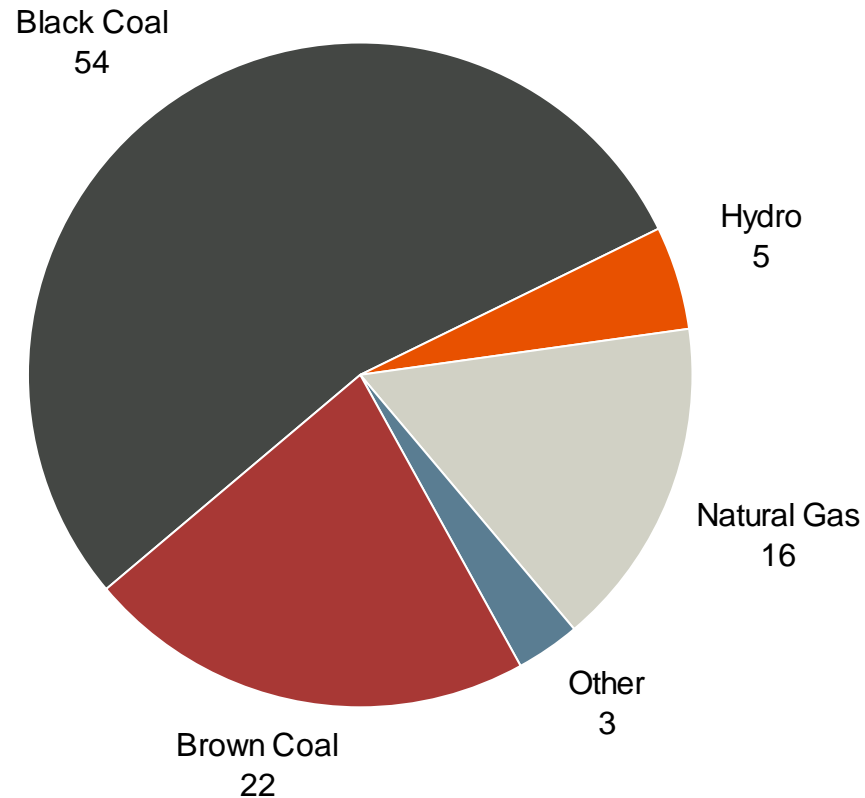


(1) Stationary energy comprises: electricity generation - 35%, and direct combustion - 16% (fuels consumed directly in the manufacturing, construction and commercial sectors and other sources such as domestic heating).

Source: Department of Climate Change, 'Tracking to Kyoto and 2020', 2009; Australian Greenhouse Emissions National Inventory, May 2009.

We must look beyond just coal

Australian electricity generation by fuel source - 2008
(%)



Source: ABARE "Energy in Australia Report – 2010"

What else do large companies think about?

What happens to the money raised by pricing carbon?

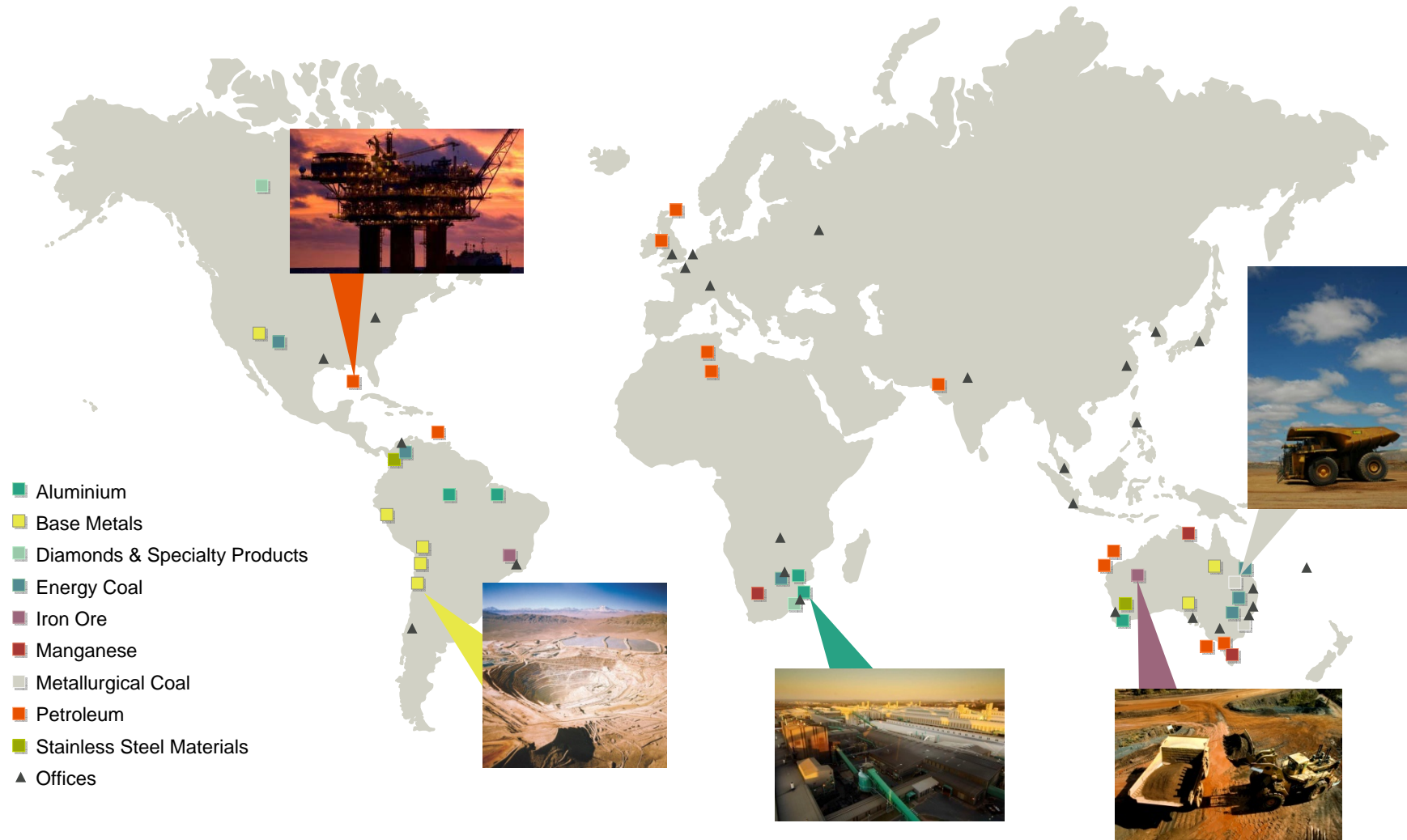
How is international trade affected when countries act individually?



Climate change policy design principles

- Clear price signal
- Revenue neutral
- Trade friendly
- Broad based in its application
- Predictable and gradual transition
- Simple and effective

The BHP Billiton group today





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