2019 Industry Association Review: First update

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BHP published its 2019 industry association review in December 2019. This review made a number of findings in relation to the New South Wales Minerals Council (NSWMC). Specifically, the review identified one material difference with the NSWMC (relating to Balancing the Energy Trilemma), and found that BHP derives a moderate level of benefit from the broader activities of the NSWMC.

During the course of the review, the NSWMC published a new Climate Change, Energy and Emissions Policy statement. This statement supports the Paris Agreement, and acknowledges the importance of having an integrated climate and energy policy.

In light of the aligned nature of this new statement with BHP’s position, and the broader benefits the Company receives from its membership, BHP determined in December to remain a member of the NSWMC. However, BHP committed to conduct a further review of its membership of the NSWMC no later than 30 April 2020.

Since December 2019, BHP has engaged regularly with the NSWMC on the findings of the 2019 industry association review. BHP has also reviewed public statements made by the NSWMC that relate to climate and energy policy. Based on this engagement and review, and taking into account the assurances given to the Company by the NSWMC, BHP has concluded that the NSWMC has adhered to its new climate change statement and has not undertaken advocacy that is inconsistent with BHP’s core climate and energy policy positions. While some stakeholders have identified concerns with the NSWMC’s position on state planning approvals, planning regulation does not directly relate to BHP’s positions as outlined in the 2019 Industry Association Review. BHP will work with the NSWMC to ensure that any advocacy on planning approvals continues to be neutral as to the commodity or activity associated with planning regulation.

Separate to the issue of climate change, the NSWMC has been very active in the resource sector’s response to the COVID-19 pandemic. This has included working with governments to determine how the sector can best protect the health and safety of workers and host communities, while maintaining the essential role the sector plays in the Australian economy. This work, and that of other state-based and national associations, has resulted in a set of National Protocols that now underpins BHP’s operations in Australia. The NSWMC has also:
played a role in helping the sector address supply chain challenges arising from the pandemic; undertaken a community awareness program to highlight the importance of mining to the economy and the actions the sector is taking to maintain the health and safety of its workforce and host communities; and bolstered the capacity of smaller companies by providing necessary legal and medical information, and facilitating communication with the state government.

BHP has, necessarily, had regard to the role played by the NSWMC on the COVID-19 response, which has been of significant value to the Company and host communities.

Taking account of these considerations, BHP has determined at this time to remain a member of the NSWMC. BHP will continue to engage with the NSWMC to ensure its new climate change policy statement is reflected in its policy advocacy. If BHP identifies any material deviations in the climate and energy policy advocacy of the NSWMC, the Company will immediately review its membership of the association. BHP’s membership of the NSWMC will continue to be guided by the Company’s principles for participating in industry associations, and will be covered by the broader enhancements BHP is making to its association governance processes as previously announced. BHP will also be encouraging the NSWMC to consider what additional actions the sector can take, in terms of both positive advocacy and operational enhancements, to help Australia achieve its commitments under the Paris Agreement.

As previously flagged, BHP is currently undertaking a broader consultation process to understand stakeholder perspectives on the 2019 industry association review, and to explore how the Company could further enhance its overall approach to membership of industry associations. An update on this consultation process will be provided in due course.