

Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



Andrew Mackenzie
Chief Executive Officer
BHP Billiton Limited
171 Collins Street
Melbourne Victoria 3000

Dear Mr Mackenzie

RE: LOCAL CONTENT ON THE BHP SOUTH FLANK EXPANSION

I write to you to seek answers on why BHP Billiton plans to send over 20,000 tonnes of structural steel work offshore as part of upgrades to its South Flank Iron Ore project. We know from past work, over 20,000 tonnes of steel equates to about 2,000 manufacturing jobs. Jobs that we could see filter through to WA's manufacturing industry in Kwinana.

Sending steel offshore for a cheaper manufacturing rate would betray local workers. In the Premier's first speech to the WA mining industry he declared that the State Government would demand jobs for Western Australians from industry in place of a mining tax.

WA has a world class manufacturing industry and the capacity to handle advanced steel fabrication. Just take a look at the Matagarup Bridge built by talented Western Australians.

Suburbs close to Perth's leading steel fabrication and engineering hub have some of the highest youth unemployment rates in the country. Why are you not supporting upstream and downstream manufacturing and training opportunities for WA's young people?

BHP profits from a valuable resource that belongs to all West Australians. The trade-off for extracting this one-off resource is local jobs and infrastructure spending in WA. BHP has ignored the Premier's demands to put WA workers and WA jobs first. The Australian Manufacturing Workers' Union (AMWU) reminds BHP of its obligation to prioritise WA jobs in return for no mining tax.

Western Australia needs to know how many tonnes of steel manufacturing from the South Flank project will be completed in WA and how much will be sent offshore? How many WA manufacturing jobs will be created? And will BHP support government apprentices and training ratios?

Yours Faithfully

Steve McCartney
State Secretary
Australian Manufacturing Workers' Union

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