

Performance Results & Targets

Argyle has used the internationally recognised global reporting initiative (GRI) to determine a set of key performance indicators (KPIs) that outline its performance against the four aspects of sustainability.

In 2004 an independent data audit was constructed by ICF consulting and Rio Tinto. The audit covered social and environmental accounting practices at Argyle. The recommendations from this

review have been incorporated in this report.

The performance results and targets that are set out in the table below report against those KPIs for 2004.

Parameter	Indicator	Performance								
		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Social										
Health and Safety										
Injuries	Lost Time - total	-	47	24	10	22	17	8	13	10
	Employees	-	21	17	3	12	10		5	
	Contractors	-	26	7	7	10	7		8	
Medical Treatment - total	Medical Treatment - total	-	44	40	12	9	13	7	18	15
	Employees	-	24	21	2	3	3		7	
	Contractors	-	20	19	10	6	10		11	
First aid - total	First aid - total	-	197	204	131	123	103	93	73	62
	Employees	-	106	123	63	60	42		30	
	Contractors	-	91	81	68	63	61		43	
Health Conditions	Lost time Conditions - total	-	0	3	5	9	10	4	7	
	Employees	-	0	3	3	6	8		5	
	Contractors	-	0	0	2	3	2		2	
	Occupational Illness					9	15		11	
Workers Compensation	New workers compensation cases	38	41	54	17	29	28	na	22	
	Total employee assistance program referrals	-	-	104	83	96	120	na	123	
	Work-related referrals	-	-	34	27	31	41	na	28	
	Personal referrals	-	-	70	56	65	79	na	95	
Labour Practices										
Staff turnover	Voluntary separation (%)	14.1	9.7	9.2	6.3	7.8	9.3	na	14.8	
	Employee turnover rate (%)	30.9	14.9	9.8	10.7	25.9	33.1	na	20.4	
Length of service	Average years of service	10.1	9.2	8.6	7.4	6.3	6.1	na	4.0	
Employees										
Numbers	Total number of employees	670	705	717	758	805	737	na	804	
By region	Kimberley (minesite)	488	523	543	567	610	617	na	674	
	Working elsewhere	182	182	176	191	195	120	na	130	
	Perth					195	120	na	130	
By status	Contract employees					64	77	na	49	
	Direct employees					741	660	na	804	
	Full time					764	704	na	772	
	Part time					41	33	na	32	
	Permanent					640	630	na	736	
	Casual					21	30	na	19	
	Resident in the Kimberley region (as % of minesite workforce)	11.1	9.6	11.4	14.3	21	29.5	80 (by 2007)	42.1	48
New starters	57	116	96	110	159	244	na	221.0		

Parameter	Indicator	Performance								
		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Social										
Diversity and opportunity										
Equal opportunity	Percentage of Aboriginal employees in site workforce	5.9	4.6	5.3	8.5	13.5	17.8	27	12.4	28
	Number of Aboriginal employees in leadership positions					0	3	na	3	
	Percentage of female employees	20.7	19.5	18.0	20.2	17.0	17.6	na	17.8	
	Percentage of female employees in management positions	18.3	18.3	17.4	15.5	15	13.2	na	2.8	
Grievances	Fair treatment cases	-	-	-	6	7	2	na	4	
	Requiring external arbitration	-	-	-	0	2	0	na	2	
	Other grievance cases	-	-	-	2	1	0	na	2	
	Percentage of employees covered by collective bargaining agreements					9	3	na	0	
Training and education										
Training and education	Employees receiving support for external studies (%)	2	2	4	3	2%	3%	na	3%	
	Trainees & apprentices (% of employees)	2	1	0	2	2	6%	na	8%	
	Work experience students	0	5	3	6	9	6	na	12	
	Direct training expenditure (\$ million)					0.5	0.73	na	1.17	1.82
Human Rights										
	Percentage of employees trained in human rights					100	100	na	100	
	Number of discrimination cases (HR4)					6	0	na	2.0	
	Forced and Compulsory Labour (Number of cases)					0	0	na	0.0	
	Human rights training for security personnel.					0	100	na	100	
	Funding contributed to local communities (\$million)					2	3.2	na	4.4	
	Awards received relevant to social, ethical, and environmental performance.					na	0	na	0	
	Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates.					0	0	0	0	
Product stewardship										
	Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches.					0	0	0	0	-
	Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services.					0	0	0	0	
	Number and type of instances of non-compliance with regulations concerning product information and labelling, including any penalties or fines assessed for these breaches.					0	0	0	0	
	Number and types of breaches of advertising and marketing regulations.					0	0	0	0	
	Number of substantiated complaints regarding breaches of consumer privacy.					0	0	0	0	

Parameter	Indicator	Performance								
Environmental		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Land										
Disturbance by status	Land in use (EN23, SR2001) (Hectares)	-	-	-	1,985	1,955	2,003		2,162	
	Land disturbed (SR2001) (Hectares)	2,919	3,113	3,282	3,405	3,496	3,570		3,729	
	Land rehabilitated (EN26, SR2001, PL2003) (Hectares)	967	1,133	1,225	1,420	1,541	1,567		1,567	
Disturbance by type	Land disturbed by infrastructure (Hectares)				375	390	400		407	
	Land disturbed by tailings dams (Hectares)				676	797	831		786	
	Land disturbed by waste rock dumps (Hectares)				516	562	592		641	
	Land disturbed by active mining areas (Hectares)				227	206	206		228	
	Land disturbed - other areas (Hectares)				41	~	~	~	100	~
	Land available for rehabilitation (Hectares)				150	150	140		122	
	Impermeable surface (Hectares)					30	30		30	
	Number of IUCN Red List species (Hectares)					na	na		0	
Water										
Water use	Lake Argyle (thousand cubic metres)	7,065	2,831	707	2,690	2,790	1,803	na	1,251	na
	Dam - Smoke Creek (thousand cubic metres)	1,972	4,418	6,539	5,014	5,003	5,731	na	5,462	na
	Dam - Limestone Creek (thousand cubic metres)	-	-	0	200	200	142	na	468	na
	Recycled (thousand cubic metres)	-	-	-	5,145	5,336	3,404	na	3,163	na
	Annual withdrawals of ground and surface water as a percent of annual renewable quantity of water available from sources.					1.5%	1.5%	na	1.5%	na
	Water sources and related ecosystems/habitats significantly affected by use of water					0	0	0	0	0
Energy										
Electricity use	Electricity use (GWH)	166	145	151	156	159	151		155	
Fuel use	Diesel - mining (tonnes)	15,861	25,503	26,574	30,367	33,552	30,332		42,330	
	Diesel - electricity (tonnes)	2,549	620	252	274	583	956		626	
	Diesel - other (tonnes)	1,477	334	850	344	341	321		341	
	Jet fuel (tonnes)	1,220	1,220	1,253	688	758	508		2,090	
	LPG - processing (tonnes)	42	54	51	47	59	41		51.5	
	LPG - other (tonnes)	42	42	50	47	57	41	na	51.5	na
	Petrol (tonnes)	46	43	51	48	45	59		34	
	Total Fuel use (tonnes)	21,403	27,961	29,232	31,971	35,395	32,258		45,524	
Unit energy use	Unit fuel use (kilograms of diesel used per open-pit tonnes mined)	0.49	0.41	0.34	0.38	0.39	0.41	na	0.55	na
	Unit electricity use (kilowatt hours used per open-pit tonne processed)	14.74	15.23	14.47	15.12	15.36	15.43		15.63	

Parameter	Indicator	Performance								
		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Environmental										
Emissions, Effluents & Wastes										
Greenhouse gas emissions	Net greenhouse emissions	77,515	102,253	93,415	93,865	99,349	81,397		145,332	160,041
	Gross greenhouse gas emissions					132,702	108,161		170,726	188,688
	Greenhouse offsets - through revegetation					33,353	37,324		25,394	28,647
	Greenhouse offsets - through carbon trading					0	0	0	0	0
	Logistics related greenhouse emissions:									
	Air travel & Freight					2,403	1,620		2,490.8	2645
Ozone-depleting substances	NOx, SOx and other significant air emissions:									
	Nox and Sox emissions (tonnes)						1,522.5	na	1,980	na
Waste	On-site landfill	~	~	~	5,376	9,379	9,091	na	12,000	na
	Off-site landfill	~	~	~	4	30	0	na	28	na
	Recycling or re-use	~	~	~	1,917	1,657	1,786	na	1,773	na
	Total waste	-	-	-	9,097	11,065	10,877	na	13,773	na
	Significant water discharges					na	0	na	0	na
	Spills to environment					na	0	na	0	na
Products and Services	Significant environmental impacts of principal products and services.					na	nill	na	nill	na
	Percentage of the weight of products sold that is reclaimable at the end of the product's useful life and percentage that is actually reclaimed.					100%	100%	100%	100%	100%
Overall	Environmental expenditure (\$A million)					1	1.3	1.5	1.9	1.9

Parameter	Indicator	Performance								
		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Economic										
Financial Performance										
Earnings	Earnings (\$ million)	138.9	152.8	209.5	163.6	198.0	179	~	65.8	~
Revenue	Revenue (\$US million)	399.8	430.2	441.0	271.9	371.1	435	~	322.2	~
Costs	Taxes and royalties (\$ million)	82.2	183.9	173.6	141.1	129.9	117.6	na	59	~
	Donations - total (\$ million)	0.1	0.1	0.4	2.2	0.1	0.3	na	0.6	0.8
	Community-based programs (\$ million)					2.1	3.4	na	4.7	
	Total spent on non-core business infrastructure development (public infrastructure) (\$ million)					0.0	0.02	na	0	
Expenditure										
Current expenditure	Total capital expenditure (\$ million)	9.8	44.5	30.0	41.0	24.5	23.3	na	17.4	62.6
	Research & development expenditure (\$ million)	3.2	1.2	1.1	2.5	5.0	10	na	7.1	~
	Environmental expenditure (\$ million)					1.0	1.3	1.5	1.9	1.9
	Health & safety expenditure (\$ million)	1.2	1.3	2.2	1.8	1.7	3.5		4.8	3.7
Employees	Total payroll & benefits expenditure (\$ million)	70.7	64.6	66.4	70.8	67.2	74.4	na	75.9	
	Kimberley (\$ million)					5.5	6.7	na	16.3	
	Perth (\$ million)					59.1	67.7	na	57.8	
	Other (\$ million)					2.6	0	na	1.8	
	Direct training expenditure (\$ million)	-	-	-	1.5	na	0.73	na	1.17	1.81
Decommissioning	Decommissioning provision (\$ million)	-	-	-	98.1	95.3	98.7	na	176.75	na
Ore bodies										
Open-pit mine	Open-pit mine - Reserves	51.9	63.8	62.8	53.7	42.9	62.3	na	62.3	na
	Open-pit mine - Grade	2.6	2.6	3.0	3.0	3.2	2.3	na	2.3	na
	Open-pit mine - Resources	143.5	145.2	168.0	166.5	167.0	146.7	na	146.7	na
	Open-pit mine - Grade	2.8	2.9	2.8	2.8	2.8	2.8	na	2.8	na
Alluvial mine	Alluvial mine - Reserves	5.6	5.8	3.8	1.6	0.0	0	na	0	na
	Alluvial mine - Grade	0.25	0.24	0.31	0.26	0.0	0	na	0	na
	Alluvial mine - Resources	49.3	45.0	43.7	42.0	42.0	42.0	na	42	na
	Alluvial mine - Grade	0.22	0.20	0.19	0.18	0.18	0.18	na	0.18	na

Parameter	Indicator	Performance									
Economic		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)	
Productivity											
Open-pit mine	Open-pit mining productivity (thousand tonnes mined per mining employee)	160.2	252.2	285.8	299.7	270.9	232.5	na	224.6	na	
	Mining Tonnes ('000 dry tonnes)	33,134	63,992	78,583	82,016	91,840	77,891	na	78,382	na	
	No. of FTEs	206.8	249.0	271.0	301.0	339.0	335	na	349	na	
Main process plant	Main processing plant productivity (tonnes) per processing employee	61.5	73.1	80.1	74.5	76.7	73.6	na	70.8	na	
	Mt processed by main process plant	11,242	9,502	10,418	10,285	10,350	9,787	na	9,625	na	
	No. of FTEs		130.0	130.0	138.0	135.0	133	na	136	na	
Suppliers											
Contracts	Contracts in place (SR2001)	-	-	-	305.0	245.0	278	na	237	na	
	Kimberley-based contracts	-	-	-	23.0	25.0	17	na	21	na	
	Percentage of contracts paid in accordance with agreed terms (excluding agreed penalty arrangements)					100.0	100	100	100	100	
Expenditure	Goods, materials, & services expenditure (EC3, SR2001)	138.6	178.1	173.8	177.4	273.1	337.9	~	390.3	~	
	Kimberley-based goods & services expenditure	-	-	-	7.5	9.8	18.8	25	27.3		
	Western Australia (not inc Kimberley)						261.6		290.5		
	Rest of Australia						42.3	~	38.7	~	
	Other (\$ million)						15.2		33.7		
	Supplier breakdown by type / expenditure										
		Fuel					39.59	29	na	55.8	na
		Power Supply					14.40	8.6	na	9.5	na
		Air Services					7.24	9.7	na	10.2	na
		Mining Equip					51.02	31.9	na	54	na
	Mining Contracting								44.7	na	
	General Contracting Services					5.88	9.9	na	61	na	

Parameter	Indicator	Performance								
Governance		1998	1999	2000	2001	2002	2003	2004 (Target)	2004 (Actual)	2005 (Target)
Incidents										
Environmental incidents	Category 1 - Low	0	0	12	27	26	11	na	287	na
	Category 2 - Moderate	15	27	1	9	26	31	na	20	na
	Category 3 - High	0	2	0	0	0	0	na	2	na
	Category 4 - Critical	0	0	0	0	0	0	na	0	na
	Total number of environmental incidents	15	29	13	36	52	42	na	309	na
Health and safety incidents	Category 1 - potential for medical treatment	-	4	184	142	165	224	na	285	na
	Category 2 - potential for injury	-	39	83	22	30	40	na	39	na
	Category 3 - potential for fatality	-	1	1	5	0	2	na	0	0
	Category 4 - potential for multiple fatalities	-	0	0	0	0	1	na	0	0
	Total number of health and safety incidents	-	44	268	169	195	267	na	324	na
Health, safety and / or environmental audits	Internal	0	3	3	1	61	63	na	26	na
	External	6	3	6	5	5	3	na	8	na
Non-compliance	Fines (\$)	0	0	0	0	0	0	na	0	na