

The Rio Tinto logo consists of the words "Rio Tinto" in a white, serif font, centered within a solid red rectangular background.

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20 September 2019

Committee Secretary
Select Committee on the effectiveness of the
Australian Government's Northern Australia agenda

Dear Sir/Madam

Rio Tinto welcomes the work of the Select Committee to inquire into and report on the effectiveness of the Australian Government's Northern Australia agenda. Given it is almost five years since the 2035 vision was set out in the *Our North, Our Future: White Paper*, it is timely to review the agenda in order to maximise its effectiveness into the future.

Rio Tinto, and the resources industry more broadly, has a significant presence in northern Australia and continues to make an important contribution to its development. Similarly, the success of Northern Australia is fundamental to our existing and future business and industry. Rio Tinto is committed to continuing to work with all partners towards further economic development and success. Rio Tinto has over 19000 employees in Australia, most of which work and reside in Northern and regional Australia. Our Northern Australian footprint extends from Cape York to Arnhem Land to the Kimberley's and the Pilbara both with operations and exploration tenements.

The National Resources Statement is also highly relevant and important in ensuring that the resources industry can continue to deliver for Northern Australia. Having been involved in industry consultation, Rio Tinto supports the intent of the Statement, which is to "*have the world's most advanced, innovative and successful resources sector that delivers sustained prosperity and social development for all Australians*"¹. The goals and actions in the Statement will help to ensure a globally attractive and competitive resources sector that can continue to deliver employment and economic benefits and support the Northern Australia development agenda.

Already, the Government's Northern Australia agenda has achieved a number of outcomes. In particular, these include fostering collaboration and advancement through the development of the Northern Australia Cooperative Research Centre, support to enhancing local businesses and local employment and improvements to border security and infrastructure. Opportunities remain to further invest in infrastructure and support economic diversification projects to build sustainable economies and communities that coexist alongside mining or create pathways for life after mining.

¹ National Resources Statement, 2019, p3.

Rio Tinto is pleased to make this submission which responds briefly to each of the Terms of Reference.

a) Facilitation of public and private investment in infrastructure and economic development

Investment in infrastructure is fundamental to the development of Northern Australia and requires additional focus. The rolling 5-year Australian Infrastructure Plan as well as its Infrastructure Priority List need to include projects which maintain and grow existing and new industries. For the resources sector – from which, for example, WA's Pilbara region generates \$34.6 billion in GDP² - investment in roads and ports is critical.

Rio Tinto is also contributing to infrastructure development in a number of ways, including:

- making reliable wireless communications available to our neighboring pastoralists and remote communities as it is installed across our Pilbara rail network; and
- continuing partnerships with local government that to deliver community infrastructure and related services in local towns and communities. Partnerships are currently in place with the City of Karratha and Shire of Ashburton.

b) Economic and social benefit arising from that investment for Northern Australians, in particular First Nations people

Maintaining and growing local populations and creating livable communities requires a greater focus on investment and new models for community service provision to address disadvantage in communities. This could be achieved through co-design, place-based leadership input and community led service models. An example of this is the Decca family healing project for the Roebourne community that Rio Tinto is involved with alongside other industry partners and Government, which is driven and led by Roebourne Elders.

Rio Tinto also supports the Select Committee's focus on First Nations people and Indigenous advancement, including employment, procurement and agreements leading to self-determination. Rio Tinto's Iron Ore operations has Indigenous Land Use Agreements with 10 Traditional Owner groups, some of which have been in operation for more than 20 years. These agreements aim to deliver mutually beneficial outcomes for the parties for the life of the asset, in particular ensuring Traditional Owner connection to country is respected and enhanced. In addition, the Pilbara Iron Ore business established a Regional Framework Deed to which 8 of the Groups opted into. This Deed focusses on delivering a range of social, land and economic outcomes. As a result of this Deed, the Regional Implementation Committee was formed in 2016 with the 8 Traditional Owner groups to advance the social and economic interests of Pilbara Aboriginal People. More information about the Regional Implementation Committee is available at: www.ricpilbara.com.

² Developing Northern Australia, Implementation Report 2018, page 5.

Rio Tinto's Argyle Diamonds Mine entered into an Indigenous Land Use Agreement and Management Plan Agreement (MPA) with East Kimberley Traditional Owners in 2004. Similar to the Rio Tinto Iron Ore agreements in the Pilbara the ILUA and MPA seeks to progress joint goals and commitments for the benefit of local Indigenous people. Notably, Argyle has been a significant contributor to employment and training with approximately 30-40% of East Kimberley Indigenous trainees engaged by Argyle between the early 2000s until now. The Argyle closure planned for the end of 2020 provides an opportunity for local Indigenous businesses to benefit from closure related activities associated with mine rehabilitation and decommissioning. This work will be undertaken for several years after mining ceases.

Rio Tinto Aluminium's operations in Northern Australia maintain a number of agreements with Traditional Owners which support economic and social benefits from our investments. These Agreements capture the aspirations of the business and Traditional Owners to work together to create long term mutual value, and outline formal consultation processes between the company and the Traditional Owners of the land on which we operate. They lay the foundation for intergenerational benefits and sustainable economic, cultural, social and environmental outcomes for the signatory Traditional Owner Groups and communities - including education, employment, training, and cultural heritage management.

In 2011, the historic Gove Traditional Owners Agreement was signed with the Gumatj, Rirratjingu and Galpu Traditional Owners. Rio Tinto is the first operator in 40 years to formally acknowledge the Traditional Owners by establishing an agreement. In 2018, Gove operations spent more than \$24 million on goods and services from local and Indigenous suppliers.

Rio Tinto was recognised at the 2019 Queensland Resources Council Indigenous Awards for creating sustainable Indigenous procurement and employment opportunities through its Amrun Project Local and Indigenous Participation Strategy. Key actions implemented under the strategy included Rio Tinto developing a North Queensland Indigenous Business Directory to enhance visibility of Indigenous business capability in the region and the requirement for all work package bidders over \$1M to complete Local and Indigenous Participation Plans (LIPP) to ensure the inclusion of Indigenous companies in the award of contracts. As at the end of 2018, 69 Western Cape businesses including 17 Indigenous businesses had supplied goods directly and indirectly to the Amrun Project.

Rio Tinto is a major contributor to the regional economy on the Western Cape, including significant investment in local infrastructure to support the Weipa township. The Weipa Town Authority manages the township with the support of local Traditional Owners under the Weipa Township Agreement. In 2018, Weipa operations spent more than \$65 million on goods and services from local and Indigenous suppliers.

Lastly, in 2017 Rio Tinto engaged CSIRO for the Local Voices project in the Pilbara, in order to better understand what is important to Northern Australians. Through regular surveys, communities have a direct voice inside the company providing feedback on life in the Pilbara, the relationship with Rio Tinto, and the positive and negative aspects of living in a mining region. More information is available at: <https://research.csiro.au/localvoices/>.

c) Funding models and policy measures that capture the full value of existing and emerging industries

Economic and industry diversification will be an important enabler to a successful Northern Australia. A more diverse economy supports jobs and population growth and will make the region more resilient to change.

Mine closure can provide opportunities in this regard. For example, with Energy Resources of Australia (ERA) to cease operations at Ranger Mine in the NT by 2021, work is under way to support the transition of Jabiru from a mining town to a regional services and tourism hub for Kakadu National Park and the West Arnhem region. Last month, an MoU to support this was signed by four parties: Federal Minister for the Environment Sussan Ley, NT Minister for Aboriginal Affairs, Selena Uibo, ERA and Traditional Owners from the Gundjeihmi Aboriginal Corporation.

Rio Tinto is also a key partner in Developing East Arnhem Limited (DEAL) in the NT, which seeks to "facilitate connections between private enterprise, industry, community and government agencies to support economic diversification and growth in the East Arnhem region for the benefit of the regional population". More information is available at: <http://www.developingeastarnhem.com.au/>

Rio Tinto is also proud to have partnered with 80 Indigenous businesses across Australia, with a spend of more than AU\$217 million in 2018. This has helped to build capability and capacity of Indigenous businesses to participate in the resources economy, which is predominant in Northern Australia.

d) Measures taken to develop an appropriately skilled workforce

A more diverse economy and greater social and economic benefits for Northern Australians can only be achieved with the right skills, which requires a greater focus on education. This includes education infrastructure, support to stay and succeed in school, pathways to training, employment and career opportunities and partnerships with education providers.

As a global leader in automation and technology, Rio Tinto has partnered with the government of Western Australia and South Metropolitan TAFE, to develop the first nationally recognised certificate and micro credentials in automation. More information is available at https://www.riotinto.com/media/media-releases-237_27485.aspx/

Rio Tinto has partnered with a number of different Indigenous education providers to improve the education, aspiration and employability of young Indigenous men and women. Our partnerships with the Clontarf Foundation, Graham "Polly" Farmer Foundation and Girl Academy have created a pipeline of Indigenous talent into our business, in both operational and professional roles right across the country.

Rio Tinto currently invests \$2.5M per year into these partnerships alone, with additional funding allocated to support Indigenous students undertaking tertiary studies through scholarships and cadetships.

We believe that if sufficient funding and effort is allocated to improving the education outcomes of Indigenous youth, then this will help address many of the other Closing the Gap initiatives in a practical and measurable approach.

e) Emerging national and international trends and their impact on the Northern Australia agenda

We are encouraged by initiatives the Morrison Government has announced to reduce red tape affecting our industry. A key priority for us is streamlining environmental approvals. Reducing the regulatory burden and improving approvals timeframes will help to see potential economic benefits – increased investment, employment and expenditure - flowing sooner, including to Northern Australia. We believe this can be done without compromising the quality of environmental impact assessments and subsequent environmental management.

In conclusion, Rio Tinto welcomes the work of the Select Committee and supports any efforts to maximise the effectiveness of the Northern Australia development agenda. While much has been achieved, future priorities need to include:

- investment in infrastructure, particularly ports, education and roads;
- investment in service provision and new service models to close disadvantage in local communities; and
- support for economic and industry diversification to strengthen the northern Australian economy.

Rio Tinto will seek to participate further in the consultation process. We would be happy to host tours of any of our operations in Northern Australia, as well as coordinate and participate in local consultations.

Please contact Sarah Clancy, Manager Government Relations to discuss any elements of this letter or to make arrangements for a tour to any of our operations in Northern Australia.

Yours sincerely

Brad Haynes
VP Corporate Relations Australia