Good afternoon, ladies and gentlemen.

First, I want to recognise the traditional owners – the Wurundjeri people of the Kulin Nation – and offer my respect to their elders, both past and present.

I’d also like to acknowledge Sir Arvi Parbo, Leigh Clifford, and Martin Ferguson who are all in this room, for their contribution to the industry.

All of you are giants in our sector.

And Leigh, I’m not just saying that so I can get a seat on one of your planes back to Sydney tonight.

It is great to be here with you today to share some thoughts on our industry and the important role Australia will play in keeping it strong and relevant in the decades to come.

There is no doubt we live in a rapidly changing world – economies are shifting, our environment is changing, politics is more fragmented, and technology is transforming the rules of the game.

Our industry has a key role to play in meeting some of the world’s challenges and in turn to position ourselves as part of the solution and not the problem.

Even so, as an industry we do face some challenges and we must challenge ourselves to look for innovative solutions to old industry problems, on things like:

- Safety
- The environment
- Diversity and inclusion. And, last but not least,
- Explaining how we contribute to modern life.

This will require a reset – in our thinking, our behaviours and many of our decade long assumptions.

And I believe that Australia has a vital role to play.

I would go as far as to say that Australia should raise its ambition.

As it has a unique opportunity to become the “epicentre” of the global mining industry.

But more on this later.

The last time I was in Melbourne was with Chris Lynch at the AFL grand final.

Now, I’m not going to say too much about it.

All you need to know is that I was not wearing a red and white scarf.
That should hopefully guarantee me safe exit from the building, depending of course on what I have to say next!

In preparation for today, I read the first MMC speech given by our patron Sir Arvi Parbo 15 years ago.

Many of the themes covered then still apply now.

I noted his view that the industry "has not been good at explaining itself to the public" and his comments that when it comes to public policy what does not make sense often has "an excellent chance" of occurring.

It is good to see that some things never change.

Now, this is not the forum to talk about silly policy positions but it strikes me that 15 years on the industry has not found a way to fully connect with society.

Actually, I think this is probably true for most big business.

I see in Australia, and also in the US, Canada and the UK that business is not always painted in the most positive light.

The jobs we create, the taxes we pay or the billions we invest – are being missed in the discussion.

For the mining sector we have an opportunity to tell our story in a new way – to reinvent ourselves – to attract the next generation of talented youngsters.

We must stop the short-term thinking, look 10 years ahead and consistently deliver value through all cycles.

Our aim must be to make a material difference to our communities and the world more broadly.

With this in mind, I am going to argue today that mining is one of the most vital industries on the planet.

Now, of course, I am speaking before a supportive audience and would expect some backing here.

But you wouldn’t get a lot of support for this idea if you spoke to people on the street. And I think that’s a real shame.

So, what’s more important than mining?

If this were a question in an online survey, most people would choose "self-driving cars" or "solar energy" or, if you were my daughters "smart phone technology". Something like that.

But the fact is none of those options would be possible without mining.

Therefore, if mining is one of the world’s most important industries, it’s no accident that Australia is at its heart, both past and future.

It is a nation with absolutely beautiful mineral and energy resources, but also a population of smart, innovative people. A large proportion of which have mining in their blood. And represent the pioneering spirit and grit that is so much part of our industry.
At Rio Tinto, you can find Aussies all across our business – it is not uncommon to see Vegemite in our offices from Africa to Mongolia to London to Canada. Australians are great advocates for the industry.

How can Australia make more, and not less, of its world-beating mining heritage from excellence in operations and talent, to industry leading technology and mining financial expertise?

How can Australia position itself as the backbone of the global mining industry?

I fundamentally believe Australia has a unique opportunity it should not waste.

As the world becomes more protectionist, countries look to shut their borders and turn inwards, Australia could buck the trend.

Open its doors. Open its heart. To the mining industry of the future.

I believe there are three key areas where Australia could make the most of its obvious advantages.

The first, is positioning itself as the financial centre for mining.

The opportunity is there for Australia to gain ground on London and beat Vancouver as the place the industry wants to put its dollars and its best people.

The uncertainty of Brexit in the UK, and the recent election of Donald Trump in the US, makes now a perfect time for Australia to grab the initiative.

As an example, Australia could form alliances and partnerships with financial markets in Singapore or Hong Kong.

But if Australia wants to do this it must become more attractive as an investment destination for business – which means stable policy, stable tax settings, and incentives for companies to set-up shop and stay.

The simple truth is that Australia remains one of the most expensive places for us to do business.

Take the corporate tax rate, as one example.

I am sure everyone in this room knows that the corporate tax rate here is 30 per cent. One of the highest in the developed world.

Prime Minister May is talking of cutting the UK’s corporation tax to a record low of 15 per cent or below.

And of course, not to be out trumped Mr Trump has talked, ahead of the US election, about a 15 per cent rate in the US.

Now come on, I know you Aussies are competitive in cricket, in rugby – why not corporate tax rates?

The second area of opportunity for Australia is to position itself in a more obvious way as the global centre of mining technology and operational excellence.

You could say this is already the case but is Australia really making the most of it?
Australia could and should be the global “Mecca” of mining technology in the same way the US is on internet, smart phones, software, and space exploration.

Australia could achieve something similar in mining technology, but we need to start now.

We need to harness a unified effort of business, government, investment capital, and universities.

It might take ten years but that’s ok as we want to keep our industry strong.

On a smaller scale at Rio, we are building a technical excellence centre in Brisbane to support our global operations.

This centre will drive the development of our underground mine in Mongolia. And is a great example of Australian know-how exported globally.

I have heard the Australian Prime Minister talk of the innovation economy. In my view, he’s throwing down a challenge to the business community to turn the talk into action.

Of course, innovation is not just about high-tech new industries – miners innovate as well.

And it is not only about big bang stuff. Innovation can be about day-to-day improvement and productivity.

At Rio, we see productivity as the key driver of margin performance for the industry in the years to come.

According to McKinsey, the mining industry was 28 per cent more productive a decade ago. And Australia now lags many competitors in terms of productivity.

How do we work together to make the mining industry more productive and in turn boost Australia’s productivity?

Productivity is now a permanent agenda item for Rio Tinto ExCo meetings.

And it’s great to see the Australian Government has firmly put it at the heart of discussions around the Cabinet table.

It is great to hear that the Treasurer, Scott Morrison, has asked the Productivity Commission to review Australia’s performance in this area every five years.

It shows the Government understands the need to look at this as a long-term issue.

Survey research by the Minerals Council of Australia has pointed the government in the right direction at a policy level.

Approvals processes, the workplace relations framework and taxes and royalties are areas for improvement.

Here, we need to benchmark ourselves in Australia – not just against the past, but against our international competitors.

The third area of opportunity is all about Australia taking the lead, once again, on mining industry partnership.
In the post-war era, the Australian government made a big and brave bet.

It opened up the Pilbara in Western Australia to the world.

It was an inflection point for the nation, and also for Rio Tinto and many other mining companies.

The Pilbara is respected across the mining industry as being world class, not just because of its geology, but through the quality of its innovative technology, its partners and its people.

A few months ago we held our Iron Ore 50th celebration in Perth.

We wanted to recognise the pioneering spirit of the many of thousands of people, and the many nations, that helped create our iron ore business – which is as much Australia’s success story as Rio Tinto’s.

It all looks so simple now, but in the early 1960s Australia did not have the financial capacity to build the mines or the markets to buy the product.

It required finance from a consortium of North American banks. And more than 40 nations – from around the world to build the rail, port, mines.

And it was all done in just over 18 months – an amazing achievement.

New relationships were made, for example with Japan. The offtake agreements – 65 million tonnes over 16 years – were the largest an Australian company had ever written.

It also led to our pioneering Chinese joint venture – Channar in 1987 – which brought a new era of Australia-China cooperation and growth.

Growth that has underpinned China’s transformation, and created many economic opportunities for Australia.

It is clear that forming new partnerships can deliver significant value, and indeed, sometimes your customers can be your best equity partners.

Australia could, once again, be at the forefront of these types of new partnering opportunities.

In closing, our industry needs to tell its story with confidence and far more widely.

We should aim to make sure the general public understand that our environment, plus our cars, smart phones, and most of our other material possessions all came out of a mine.

A successful industry 10 years on will have made great strides towards that.

The messages sent in recent times through the political process, for example in the US and the UK, are important for our industry to note.

We need to invest in our story, listen to our communities and engage more deeply in conversations to explain the benefits of what we do.

For us, it falls to each generation of miners to argue the case for our industry, and maybe we are at that point again.
Rather than argue our case, I think advocate would be a better term.

To call for a spirit of co-operation to make the most of Australia’s opportunities.

The world needs a strong, safer, prosperous, innovative Australian resources industry.

We stand ready, and will continue to play our part.

I hope that in a decade Rio Tinto’s chief executive, will address this group and maybe she will look back on my words and say.

“He really didn’t have a clue. The industry is much, much more advanced than he predicted.”

Thanks for your time.
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