

Kellie Parker, Rio Tinto Chief Executive Australia
Opening Statement to Joint Committee on Northern Australia

27 August 2021

Good morning. I'm Kellie Parker, Rio Tinto Chief Executive Australia.

Thank you for the opportunity to update the Inquiry before the Committee completes its final report.

I'm joining you today from Brisbane, on the lands of the Turrbal and Jagera Peoples. I would like to pay my respects to the elders who have overseen their rich history, today's leaders and those who will shape the future. I would also like to pay my respects to elders and custodians past, present, and emerging of the lands where all our operations are located across Australia.

In the nearly 12 months since Rio Tinto last appeared before the Committee, our company has embarked on significant change.

We have a new Chief Executive, a new leadership team is in place and we have appointed a new Australian non-executive director.

My position - Chief Executive Australia – is a new role that sits on the global leadership team, reporting to the chief executive. This position reflects Australia's importance to Rio Tinto.

From my perspective, more important than the leadership changes are the significant reforms we are making to the way we work and how we approach cultural heritage.

Having grown up in the Pilbara and working with Rio Tinto for two decades, I know that the company makes an important contribution to Australia in so many ways.

However, like many Rio Tinto employees, I was saddened and deeply shamed by the events at Juukan Gorge.

Since my appointment, along with our Chairman, Chief Executive and other senior leaders, I have spent a lot of time engaging with our stakeholders right across Australia. This has involved a lot of listening and hearing first-hand what people are thinking.

While many of these conversations were difficult and confronting, everyone we met understands why it's important for Rio Tinto to get this reset right.

We recognise that we had some underlying issues well before the events last year at Juukan Gorge.

Part of the issue related to culture. We placed too much emphasis on business performance and did not focus enough on relationships with our people, our partners and the communities in which we operate.

Our cultural heritage management wasn't linked up strongly enough with our mine teams and there were shortcomings in how we managed some of our partnerships.

While we have had some success in places like Gove and Weipa in both protecting cultural heritage and cultivating an appreciation of the broader cultural heritage landscape, it was clear that this was not uniformly the case across the organisation.

Too much focus – internally and externally – on these examples of success came at the expense of recognising gaps in our broader approach and genuinely understanding the experience of some of our partners, including Aboriginal and Torres Strait Islander partners.

We recognise partnerships are built on trust.

For more than a year now, we have been focused on rebuilding that trust by changing the way we do business and improving our culture.

We readily admit that our efforts to rebuild trust will take some time, but I can assure you that from the Board down we are determined to get it right.

As you know we are implementing the recommendations of the Board review and addressing each of the recommendations in the Committee's interim report.

And we won't stop there. We want to establish our heritage management as industry best practice and ensure the tragedy of Juukan Gorge will never be repeated.

We have enhanced our governance, risk and assurance processes, and increased social performance capacity and capability, to build stronger relationships with Aboriginal and Torres Strait Islander partners.

In determining the best way forward for our partnerships, we are collaborating with Traditional Owners. Our objective is to work closely every step of the way with First Nations partners to implement meaningful change in the way that we manage and protect Indigenous cultural heritage.

For example, a key reform to how we approach heritage management is a structural change – responsibility now lies with the Product Group rather than a corporate function - to ensure partnerships and engagement are fully embedded within our mining operations.

In the Pilbara, this means the head of the operations at each iron ore mine is now accountable for the relationship with the Traditional Owners on whose land we are operating.

Traditional Owners want to talk directly to the people running the operations, the GMs of the mines. They are responsible for when and where mining takes place as well as where the drilling and the digging is occurring. The General Managers, and the Rio teams on the ground at the mine, now lead our engagement with the respective TO partners.

Importantly, these regular and direct lines of communications – in contrast to the fixed formal committee meetings under the previous model - provide comfort for our people, with frequent touch points and affirmation.

Having experienced the hurt, shame and pain of Juukan, our people will continue to lead the way in repairing relationships and rebuilding trust as the starting point to work with First Nations partners in developing best practice for heritage management for the industry.

Our Indigenous employees, many of whom are leaders in their own communities, were thrust into an unenviable position last year as a result of the company's actions.

Our commitment to them, and our 20,000-strong Australian workforce, is to create a more inclusive environment where they have the authority to rebuild our approach to cultural heritage and ensure Rio Tinto is a place where we are proud to come to work.

That's why we are investing in our people to enhance our internal capability.

Within our Iron Ore business in WA, we have doubled the size of our Heritage team and increased the number of Indigenous people in management positions four-fold in the past 12 months.

With strong Indigenous leaders in place, we are ensuring Indigenous voices are heard loud and clear on cultural heritage matters and broader business issues - right across the organisation, including the boardroom.

As well as investing in our leadership capability for the senior leaders across our business, we are expanding cultural awareness training across our workforce. I've done it, and so has the Board and everyone across our Australian operations will also complete the training.

We are working with all the Traditional Owners near our operations, including the Puutu Kuntj Kurrama and Pinikura peoples, to embed change in managing cultural heritage.

As we told the Committee last year, our immediate priority has been to re-establish our relationship with the PKKP.

I visited Juukan Gorge earlier this year with some of the PKKP Traditional Owners, hearing directly about the history and significance of the site and some of the work underway to further document the cultural values of the surrounding area.

While the sadness and pain is enduring, I was grateful to the PKKP Traditional Owners for their openness in speaking with me about their deep connection to the land.

We continue to engage with the PKKP regarding a remedy and the ongoing remediation of the rock shelters and are working together on a co-management of country approach.

This ongoing dialogue is essential as we work to better understand the PKKP's views and concerns.

Rebuilding trust – with the PKKP and other First Nations partners - will require Rio Tinto to demonstrate we can deliver on our commitments in a sustainable manner.

Where we operate across the Pilbara, we have started a consultation process with all Traditional Owners to modernise the agreements that underpin our partnerships.

By modernising agreements, we want to change the way we work together, putting in place measures to ensure greater awareness, respect and preservation of cultural heritage, improve transparency, and to better realise economic and social benefits that come from mining.

This process has required us to confront the legacy of our past actions, not just regarding Juukan Gorge.

Chair, we have recently had the opportunity to review a large amount of material related to the matters raised by the Eastern Guruma, along with direct engagements between the Eastern Guruma with our Iron Ore team.

I acknowledge that the events of Marandoo, including passage of the Act, the disposal of salvaged materials, and reduced access to country, have caused hurt and pain for Eastern Guruma Traditional Owners.

On behalf of Rio Tinto, I would like to thank the Eastern Guruma elders for sharing their experiences with our team in Iron Ore. I reiterate our apology to the Eastern Guruma and confirm Rio Tinto is committed to working with them to support the repeal of the Marandoo Act, modernise our agreement to meet our shared expectations of partnership and do our best to heal the wounds of the elders and Eastern Guruma people.

We recognise it will take time to repair our relationships with Traditional Owners in the Pilbara, but I want to assure the Committee today that we are committed to doing everything we can to carry out best practice management of cultural heritage.

We are the first to acknowledge that we have a long way to go but I am confident we are taking the right steps.

Chair, I am joined today by Brad Welsh, Rio Tinto Chief Adviser Indigenous Relations. We are happy to take your questions.

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