

Brad Haynes  
Vice President  
Corporate Relations - Australia  
Rio Tinto  
Central Park  
152-158 St Georges Terrace  
Perth WA 6000  
Australia  
T +61 (8) 6213 0065

31 October 2019

Resources Sector Regulation study  
Productivity Commission  
LB2, Collins Street East  
Melbourne Vic 8003

Dear Commissioner

### **Rio Tinto's submission to Productivity Commission's Resources Sector Regulation study**

Rio Tinto welcomes the opportunity to provide comments regarding the Productivity Commission's Resources Sector Regulation study, and we see it as an important opportunity for Australia. Improving the Australian resources sector's ability to grow and prosper – and positioning it as the world's most advanced, innovative, and successful resources industry – will help secure the nation's future by creating more jobs for Australians, increasing investment, generating more tax revenue, and strengthening regional communities.

Rio Tinto is committed to Australia's economic success and prosperity, and we have been operating in the country for more than 100 years. We directly employ over 19,000 people in Australia, and create many more jobs across the country through our spending with local businesses. We are also proud to employ over 1,400 Indigenous Australians (around 7% of our workforce). In 2018, we paid A\$6.5 billion in taxes and royalties to Australian governments.

Rio Tinto is also investing in Australia through new and expanded mining operations. For example, we recently completed commissioning of the A\$2.6 billion Amrun bauxite mine on the Cape York Peninsula in Queensland. We are also investing A\$3.5 billion in the Koodaideri iron ore mine in Western Australia.

In a global economy where the competition for capital investment from other resource-rich economies is intense, we need to continue to position Australia to attract investment. The Amrun bauxite project, which began construction in 2015 and started producing last year, took five years and eight months to gain government approvals. Delays like these suspend the flow of benefits to Australians and can put at risk whether a project goes ahead, as economic conditions can change, especially in a cyclical industry like mining.

We believe there is scope for constructive reforms to current legislative and regulatory arrangements and that doing so can bring many benefits.<sup>1</sup> For instance, it has been estimated that reducing project delays to resource projects in Australia by one year would add A\$160 billion to national output by 2025 and create an additional 69,000 jobs.<sup>2</sup> In addition to significant cost savings for industry, more efficient internal processes can also reduce government costs, increase revenue, and secure enhanced or equivalent environmental outcomes.

Rio Tinto's operations across Australia will require more than A\$10 billion of investment over the next three years to sustain the production of our iron ore business. This means that just to maintain production and the associated economic benefits for the people of Australia, Rio Tinto will require

---

<sup>1</sup> The Productivity Commission found in 2013 that overlap and duplication between federal and state processes can be greatly reduced without lowering the quality of environmental outcomes. See for instance Productivity Commission (2013), *Major Project Development Assessment Processes: Research Report*, Canberra, pp. 2 and 13.

<sup>2</sup> BAEconomics (2014). *The economic gains from streamlining the process of resource project approval*. Canberra.

approvals for a level of investment that is more reflective of a business in an expansion phase. We therefore see environmental approvals reform as an important objective of this study, and we are encouraged to see that it is a focus of the 'Issues Paper'.

We welcome the work of the Productivity Commission and support efforts to improve the competitiveness of Australia's resources sector. We look forward to working with the government and continuing to participate in the review. Please contact Brian Pontifex, Chief Adviser Government Relations Australia to discuss any elements of this submission.

Yours sincerely

Brad Haynes  
Vice President  
Corporate Relations Australia