

THE AUSTRALIAN FINANCIAL REVIEW

The nation is putting untrustworthy Rio Tinto on notice

Juukan Gorge inquiry

It's harder to make the case for more efficient regulation of the resources sector after the miner so recklessly destroyed public trust.



Dean Smith

When Reconciliation Australia endorsed Rio Tinto's second Reconciliation Action Plan in 2016, few would have imagined that just four years later the miner would be responsible for the destruction of what its own reports identified as a place of "the highest archaeological significance in Australia".

At the time, Reconciliation Australia applauded Rio Tinto for being part of "an elite group of organisations" that had gone "beyond business as usual" and adopted reconciliation principles and practices at the highest levels of its decision making.

What happened at Juukan Gorge has revealed nothing could have been further from the truth.

As Parliament concluded for 2020, the joint standing committee on northern Australia released its interim report on the destruction of the 46,000-year-old Juukan Gorge in Western Australia's Pilbara region.

The report found Rio Tinto's conduct to be "inexcusable", noting that there was "nothing inevitable" about its recklessness and that it is "inconceivable" for a site of such tremendous cultural heritage value to have been destroyed.

The committee, regarded across the Parliament as a model of co-operation and tri-partisanship, flagged the prospect of further inquiry into Rio Tinto and greater accountability for its actions.

Fundamental questions still remain about Rio Tinto's behaviour and attitude.

These are not just questions about former

chief executive Jean-Sebastien Jacques, but go to the toxic ethos allowed to flourish by its chairman and board of directors, who by their own admission "deeply regret that we failed to meet our own internal standards in relation to the destruction of the Juukan rock shelters".

What does it say about the culture at this globally recognised mining giant that it took almost 20 days for its chief executive to make a public apology following the ruin of such a rare cultural site of international significance?

And why did Jacques think it sufficient to apologise just for the "distress caused", rather than the damage itself, taking full responsibility only when Rio Tinto made its formal submission to the committee nearly 10 weeks after the incident?

Rio Tinto's own evidence makes it hard to maintain confidence in the oversight of its management.

The committee was alarmed to learn Rio Tinto's focus in the lead-up to the incident was on instructing lawyers in case of an injunction, not on protecting Juukan Gorge, and that it was unresponsive to contact from the traditional owners.

The fact that Rio Tinto could remove seven explosives to prevent committing an offence under section 17 of the Aboriginal Heritage Act, but none of the explosives that destroyed the rock shelters, only amplifies the view that Rio Tinto knew exactly what it was doing.

In the interests of full transparency and scrutiny, the committee has resolved to give a more detailed assessment of these events in its final report.

What received much less attention at the end of last year was the release of the Productivity Commission's final report on regulation of the resources sector, which found considerable scope for improving and reducing regulatory processes without diluting the requirements to protect the

environment and ensure workplace safety. Significantly, the report highlighted the "importance of trust" if the resources industry is to enjoy community support for its social licence.

Social licence is a critical consideration for industry and recognises that the regulatory and legislative framework may lag behind evolving community values and expectations.

The actions of Rio Tinto have damaged much more than its own reputation: they have imperilled the entire Australian resources sector.

This point was made by the chief executive of the Chamber of Minerals and Energy of Western Australia when he said Rio Tinto's actions had "upset a lot of people working in the resources industry" and that the incident "has shaken the sense of pride and belief in collaboration and partnership with traditional owners".

Late last year, new trade data reinforced how critical resources and energy exports had been to our nation's economic comeback from COVID-19.

The value of iron ore exports, for example, grew by 4.1 per cent in November alone, and by 43.9 per cent compared with a year ago, earning Australia a record \$11 billion in a month.

For this reason alone, every Australian is putting Rio Tinto on notice.

Dean Smith is the chief government whip in the Senate and a member of the joint standing committee on northern Australia.

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Archaeologists working at Juukan Gorge.
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