



## **Billionaire Andrew Forrest's green crusade cops a reality check**

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**Highlight:** **Fortescue** is about to turn 21, and with age seemingly comes wisdom, as the company puts its enormously expensive green hydrogen plans on the backburner.

### **Body**

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Andrew Forrest's corporate baby, **Fortescue**, turns 21 on Thursday. So it seems fitting that the mining billionaire and climate change evangelist appears to have taken stock of what's economically and technologically achievable in his trailblazing quest to green the planet.

It's a reality check for Forrest and **Fortescue**, who have perhaps realised that chasing some dreams doesn't make sense, and wild ambition more often than not needs to be tempered with some common sense.

While **Fortescue** is not giving up on its green aspirations, there is clearly a pivot to realism on how it can get there. It is looking to move downstream to more conventional green electricity projects - wind and solar. The hundreds of billions that investors around the world (including Forrest) have already ploughed into these renewables are a testament to the fact that they stack up economically.

But what about [green hydrogen](#), produced by splitting water into hydrogen and oxygen using renewable electricity? Has Forrest raised the white flag on the technology? Not yet, and maybe never.

The new strategy will lead to a number of green hydrogen projects being "deprioritised", Forrest told this masthead on Wednesday, but **Fortescue** will still hold on to a few.

The way Forrest explained it, **Fortescue** is "pivoting downstream along the conveyor belt", and when green electricity becomes cheap and abundant enough, **Fortescue** can go back to fuelling Forrest's "green hydrogen objectives".

Making green hydrogen, which requires enormous amounts of energy, is expensive using today's technology, which is why **Fortescue** has decided to take a breather and support more established renewable technology.

Costs and reassessments aside, Forrest is also seemingly facing the looming challenge of dealing with the fallout from the likely return of Donald Trump to the White House.

Trump's not exactly a climate crusader, but Forrest seems unperturbed.

"What I know about President Biden and Trump is that they will turn on a dime. Both Trump and his nominated vice president, [J.D. Vance](#), will act in the best interests of America or get tossed out of government," Forrest said.

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"Trump always wants to clear the swamp, [and to do that] he would want to reduce the high-cost structure of the swamp, which is the fossil fuel sector."

[Link to Image](#)

Domenico Pugliese

Meanwhile, the move to reposition **Fortescue**'s green investment will certainly find favour with the miner's investors, who have enjoyed some \$49 billion in dividends and capital appreciation since the company was listed.

While Forrest still has plenty of shareholders who back his mission, concerns had been raised about the large number of green projects **Fortescue** was investigating and the amount of money (generated from iron ore) that was needed to pursue them.

**Fortescue** said on Wednesday that the repositioning of its priorities would lead to 700 staff, or about 5 per cent of the company's workforce, [being retrenched](#). The cuts are part of a broader plan to further consolidate the two arms of the company - its renewable energy arm and its iron ore division - into a single operating entity.

Each division will retain its current chief executive, but the next level of executives will be shared across both pillars.

The company's chief legal counsel, Phil McKeiver, who had been running a [corporate espionage claim](#) by **Fortescue** against three ex-employees in court, will no longer retain a dual role as company secretary. (**Fortescue**'s legal team has been accused of using private investigators to follow three former executives and their families. The company accused the men of copying and taking intellectual property when they left to start a rival green iron project called Element Zero.)

"People in senior management make the decisions they do, and we don't always agree with them," Forrest said.

"No board member knew about the private investigator and a very enthusiastic group general counsel and company secretary wanted to demonstrate that you cannot steal technology and then eliminate that technology that the company produced on the way out. That's like Hitler ripping up the bridges retreating out of Poland.

"You can be assured that the temperature turned a little warmer around that gentleman's desk. He took it upon himself to tender his resignation (as legal counsel)," Forrest added.

That offer was rejected by **Fortescue**, with McKeiver staying on as general counsel.

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## Graphic

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Andrew Forrest has toured the world signing agreements to study green hydrogen and promoting the product - including with London taxis.

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