



Fortescue heart-to-hearts make unionisation redundant: Forrest

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Body

Fortescue executive chairman Andrew Forrest says a culture of freedom and camaraderie at the iron ore miner means staff are unlikely to unionise, as the Albanese government's workplace reforms deal unions back into the nation's most lucrative export industry for the first time in decades.

Big miners such as BHP and Rio Tinto are concerned the reforms, which allow unions to lead wage negotiations even if they cannot prove their members represent the majority of the workforce, will stoke industrial action in the Pilbara iron ore region and threaten an industry that is forecast to ship \$107 billion worth of ore this year.

But the nation's third-biggest iron ore exporter, Perth-based **Fortescue**, struck a confident tone.

Dr Forrest said **Fortescue**'s structure allowed staff direct access to him or senior managers, eliminating the need for union advocates. "The troops know they can come to me directly. They do, and I love it," he said, when asked by The Australian Financial Review whether it would welcome unions onto its Pilbara mine sites.

"If unions want to come in, they are completely welcome. [But] is there a job for unions to come and speak to me about the troops? No, they can come and speak to me directly. We stay really close because we love our people.

"You don't get workers running up to leaders wanting selfies and heart-to-hearts [at other mining companies], but that's stock-standard here."

Most Pilbara worksites became largely union-free in the 1980s, after years of militant industrial action and rolling strikes provoked a stand-off with intransigent management that in effect eliminated collective bargaining.

Union members comprised 10 per cent of the mining workforce in 2022, down from 16.5 per cent in 2016, according to the Australian Bureau of Statistics. Three decades ago, union membership on mine sites was 44 per cent.

While union membership remains strong at mines where the workforce lives nearby, such as Queensland's coalfields, unions have struggled to get a foothold in the Pilbara, where the vast majority of workers fly in and out. Under the Albanese government's "Secure Jobs, Better Pay" workplace reforms, unions are not required to

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demonstrate that the majority of the workforce supports collective bargaining, as long as an agreement is within five years of expiration.

This has enabled unions to bring BHP to the bargaining table to negotiate wages and conditions.

The Western Mine Workers Alliance has presented BHP with a list of demands that include a \$10,000 annual retention bonus per employee, annual pay rises and uniform conditions and entitlements across sites.

Other producers in the region - Rio Tinto, **Fortescue**, Roy Hill and Mineral Resources - fear that unionisation will spread to their mines and eat into their margins.

Iron ore mining in the Pilbara has fuelled the wealth of billionaires such as Dr Forrest and Gina Rinehart, the country's richest person. Unlike BHP, Rio is not compelled to negotiate with unions because its enterprise agreements expired before 2019, while **Fortescue** has not struck a collective agreement in more than a decade.

The Minerals Council of Australia has warned that the laws could "open the door to industry-wide 'bargaining' and industry-wide strikes - and a return to 1970s-style industrial confrontation and disruption".

Dr Forrest said unions were vital to some workplaces, but their services were redundant at **Fortescue**.

"Unions have a serious role when there is a breakdown between troops and managers, but there is strong camaraderie here. The troops come straight to people like me. We have no issue with unions, but the troops decide for themselves," he said.

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