



Forrest backdown raises fears for reputation

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Byline: Nick Evans comment

Body

However **Fortescue** may try to spin it, the announcement it will slash 700 roles from its global headcount is more than just an attempt to remain "lean, impactful and agile".

The last time **Fortescue** made cuts this deep into its workforce was when it sacked 1000 people in a single day in 2012, when the tumbling iron ore price combined with **Fortescue**'s massive debts to create an existential crisis for the iron ore producer.

For **Fortescue** to abandon its ambitions to produce 15 million tonnes of green hydrogen a year by 2030, and make similarly deep cuts to its workforce, represents a humiliating backdown.

Not because the company has abandoned the goal in the face of reality. But because Andrew Forrest and his leadership team spent the past three years waving away genuine concerns about the plans that were being expressed by investors, market analysts, hydrogen and energy experts, and even the company's own staff - many of whom left in frustration well ahead of Wednesday's announcement.

In that time **Fortescue** has become increasingly erratic in its strategy and less tolerant of criticism - both internally and from the media and the investment community, as the company embraced the new vision of its founder and the "creative chaos" that came with it.

You cannot fault Forrest for his ambition, his commitment to innovation, and his attempt to try to drive a shift to green energy by bringing the scale of **Fortescue**'s resources to bear on a problem others have found too difficult to grapple with.

Hopefully some good will eventually come of all that frenzied work. But belief alone cannot defy reality, and it has been clear for some time that **Fortescue** took on more than it could ever handle - perhaps to the detriment of projects that could have been achieved.

Plenty of voices inside **Fortescue** have been saying that along the journey, but have been told to get with the program or leave the company.

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The reputational damage brought about by the retreat from this green foray is enormous, both to **Fortescue** and to other Australian companies operating overseas.

Forrest has spent the past four years touring developing nations making big promises about the jobs that green hydrogen will bring, and the economic transformation his company could help deliver to some of the poorest countries in the world, if they give **Fortescue** access to their resources.

Few, if any, of those promises will now be delivered - and that will not be easily forgotten the next time an Australian company rolls into town looking for support for a mining or energy project.

Many investors will welcome Wednesday's backdown as offering hope the company will return its focus to the mining arm where it makes its money.

But real questions still need to be asked about how the rest of the **Fortescue** board did not reign in Forrest's green ambitions well before now.

Fortescue changes 700 jobs to go across global operations Redundancies to be finalised this month Streamlined executive team, comprising nearly 50% women Apple Paget is the new chief financial officer Shelley Robertson is the new chief operating officer Navdeep Gill is the new company secretary

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