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Highlight: Mining magnate Andrew Forrest says a move to slash 700 jobs from **Fortescue** is not a sign he is pulling away from his green hydrogen ambitions.

Body

Andrew Forrest says a move to slash 700 jobs from **Fortescue** is not a sign he is pulling away from his green hydrogen ambitions.

The company – which made its start mining iron ore but working to push into clean energy – [announced the redundancies late yesterday, saying they would be finalised by the end of the month.](#)

Speaking on morning radio, the mining magnate and self-described "hardcore bloke from the bush" declared: "Twiggy is not walking back from hydrogen."

He told Nine Radio in Perth the job losses, which are expected to be finalised by the end of the month, were about streamlining the company.

"It's in community, it's in government relations, it's in HR, **Fortescue** people," Mr Forrest said.

"It's in all the, if you like, white-collar jobs where there's duplication between mining and energy. It's common sense that we bring them together.

"Any nut can complicate something. It takes a genius to simplify it.

"I'm no genius but I do my best."

Scrapped target sparks questions

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The cuts had raised questions about whether **Fortescue** was slowing its push into green hydrogen, which is produced from clean energy sources, after the company also flagged it was abandoning its target to produce 15 million tonnes of green hydrogen a year.

Mr Forrest has spent the last few years [*selling the idea to governments around the world as a future fuel source for industry*](#) as it decarbonises.

"We're not pulling back. This is something which I genuinely believe in," he said today.

"It's a bit like, I don't know ... antibiotics or penicillin. The world has to have it.

"We just have to work out now how to produce it cheaply enough."

Bringing down energy prices was a key challenge to achieving that, Mr Forrest said, adding he was still committed to eliminating all fossil fuels from **Fortescue's** operations by the end of the decade, which would help lower costs.

"So what we're doing is investing upstream, investing now into the generation of green electricity, pushing down the price of power for the benefit of every punter in Australia," he clarified later in the day.

"And of course at the end of it when power prices really do come off then we'll have a very commercial form of green hydrogen which is absolutely essential to get into the world."

Roy Green from the University of Technology Sydney said he was not surprised by **Fortescue's** decision to scrap the target.

"While hydrogen as a technology ... ultimately will have commercial application, it will certainly be part of our energy mix, it may have been hyped up too much in the beginning in the sense that its costs were underestimated," he said.

Renewable energy expert and founder of clean technology news website Renew Economy, Giles Parkinson, said those factors could lead to shareholder pressure.

"This is one of the problems about the whole sort of green energy transition is that [shareholders] say, 'OK great, you're a leader but don't go so far out in front that we can't see you anymore, because then we kind of get worried about returns,'" he said.

"Investors and institutional shareholders unfortunately are so obsessed with returns and profits over the short timeframe."

Renewables crucial

Sunshine Hydro executive chairman Michael Myer says producing green hydrogen can be viable when it's done with low-cost renewable energy.

He's told The Business his company is producing green hydrogen from wind, solar and pumped hydro, which is viable without the need for tax credits the government has on offer.

"I noted the commentary from the chairman of **Fortescue** saying that they're focusing now on the production of renewable and clean energy, and that's the right place to start," Mr Myer said.

"But what you need to do is you need to be able to produce 24/7 carbon free energy.

"If you do that first and then you use that energy to produce hydrogen you can produce it very competitively."

Labor's energy plan attacked

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Liberal MPs have used **Fortescue's** decision to attack the federal government's support for green hydrogen, with the opposition's spokesperson for climate change and energy, Ted O'Brien, declaring it blew "a massive hole in Labor's energy plan".

"Labor isn't interested in hydrogen. They want only green hydrogen ... which basically means all eggs in one basket," he said.

"We cannot as a nation put all our eggs in one basket. We need to have a balanced energy mix.

"Today's decision also points to the need for more gas. Labor says 'green hydrogen it will do everything'. Well, we now know today that the biggest investor in it is saying it's not going to do everything, and in fact he's pulling back.

"Labor has to stop its anti-gas crusade. We need more gas. We need it immediately."

Mr O'Brien said the government had been "picking winners", and that "some of those winners are turning out to be losers".

Mr Forrest disagreed.

"He got it completely wrong," was his response.

"We streamlined our company so we can start investing billions into green electricity, into green iron."

But the government was not backing down from its support of the technology.

"The fact is that green hydrogen does have an important role to play in our future," Prime Minister Anthony Albanese said.

"We have seen investment and we're seeing that occurring right around the world, and Australia is in a position to take advantage of that."

Mr Albanese said much of what Mr Forrest had said about his decision related to factors overseas.

In a statement, Climate Change and Energy Minister Chris Bowen said Australia had more than 50 companies pursuing renewable hydrogen.

"Green hydrogen will be one of the best ways Australia can decarbonise domestic heavy emitters and help develop robust low carbon manufacturing and energy," he said in a statement.

"The government is committed to working alongside commercial interests to deliver on this potential."

Western Australia's Deputy Premier, Rita Saffioti, was similarly optimistic.

"There has been a lot of demand for hydrogen. In relation to the future, I think the work will continue on providing the technology and making sure it is viable in the future," Ms Saffioti said.

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