

Media Release

Fortescue CEO calls on Australian business to lead on ending Indigenous disparity

Perth, 9 March 2015: Fortescue Metals Group (ASX: FMG, Fortescue) Chief Executive Officer Nev Power has called on Australian business leaders to act and play a leading role in ending the pattern of Indigenous disparity in Australia.

Mr Power said Australian business had an important role to play in ending the culture of welfare or payment dependence for Indigenous people by implementing programs that supported sustainable outcomes.

“Too many companies are still adopting royalty payments or charitable donations as the chief tool in fighting Indigenous disparity, despite the overwhelming evidence these payments are not the most effective way to achieve the outcome we all want,” Mr Power said.

“I call on Australian businesses to focus on the implementation of programs which promote sustainable solutions through the provision of jobs, with training to bridge the skill gap, education and business opportunity.

At Fortescue, by adopting this approach we have had more than 1500 Indigenous people graduate from our VTEC training program, employed over 1,200 aboriginal people and awarded more than \$1.75 billion in contracts to Aboriginal owned companies and joint ventures.

“The challenge for Australian business is clear. Set stretch targets for Indigenous employment, procurement and business development. Release your targets, report against them and most importantly, commit to deliver against them.”

Mr Power’s comments come following his role as moderator of a panel discussing the engagement between Indigenous communities and resources companies at the Prospectors & Developers Association of Canada Convention, the world’s biggest mining conference.

The panel was introduced by the Hon. Andrew Robb AO MP, Minister for Trade and Investment, and involved speakers from Australia and Canada including Prof Marcia Langton AM, Foundation Chair of Australian Indigenous Studies at the University of Melbourne.

Fortescue currently employs more than 1200 Aboriginal people equivalent to around 12% of Fortescue’s permanent workforce.

A recent socio-economic impact analysis completed by Deloitte Access Economics and commissioned by Fortescue found the Indigenous community's return on investment in VTEC is five times the return achieved by native title royalty payments.

Further, through the Billion Opportunities program (which aimed to award \$1 billion of contracts to Aboriginal owned businesses by the end of 2013, a target that was achieved six months early), the community reaps 15 times more value from every dollar spent when compared to a dollar spent on royalties.

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