

# Media Release



## Fortescue awards largest ever parcel of contracts to Traditional Owners

**PERTH, 6 August 2013:** Fortescue Metals Group Ltd (ASX: FMG, Fortescue) has awarded more than \$500 million worth of contracts to six Aboriginal joint ventures and Morris Corporation Pty Ltd, representing the largest ever package of contracts awarded to Aboriginal businesses.

The contracts cover a range of services, including catering, cleaning, waste management and camp administration across Fortescue's mine, port and rail operations in the Pilbara.

The six five-year contracts mean that Native Title Groups will be involved in managing every Fortescue-owned village that is situated on their traditional land.

Fortescue signed five five-year contracts worth approximately \$430 million with Morris Corp and Native Title Groups representing Nyiyaparli, Kariyarra, Martu Idja Banyjima and Palyku. The award also involved two Native Title Groups, Kariyarra and Palyku, forming a joint venture with Morris Corp to manage the rail camps which are located on their traditional lands. This represents the first time a partnership of this nature has been formed between these groups. Morris Corp is a wholly-owned, Australian industrial hospitality and facilities management company which specialises in remote locations.

Leighton Contractors, which was awarded the contract to mine Fortescue's Firetail and Kings deposit at Solomon, entered into a contract with Eastern Guruma and Morris Corp to take the total value of the combined contracts to more than \$500 million.

The new joint ventures cover eight villages at Fortescue's Cloudbreak, Christmas Creek and Solomon mines, villages in Port Hedland and along the rail line. They can accommodate more than 6000 people and will require Morris Corp and their joint venture partners every month to cook more than 600,000 meals and manage more than 60,000 room changeouts.

The contracts include a key performance indicator (KPI) target of 20% Aboriginal employment and a requirement to do business with other Aboriginal businesses.

Fortescue chief executive officer Nev Power hailed the innovative process that led to these contracts being awarded.

"Our Aboriginal Business Development team worked with each of the traditional owner groups to ensure their business affairs and corporate governance structures were in order. We then invited them to be part of the tendering process," Mr Power said.

"Morris Corp submitted an outstanding bid and formed joint ventures with the respective Native Title Groups: Nyiyaparli, Kariyarra, Martu Idja Banyjima and Palyku with whom the contracts were signed.

“The contracts were awarded for a period of five years, which will help create a sustainable future for these joint venture partners to grow their business, build capacity and offer long-term employment.”

Fortescue chairman Andrew Forrest said he was proud that Fortescue was working with Aboriginal communities to build their own businesses and create long-term opportunities.

“There’s no passive involvement from the traditional owners, these Native Title Groups are actively involved in the running of these businesses – their businesses. Not only are they providing jobs for people in their communities, they are providing leadership to their people and learning valuable skills about running a business.”

Raylene Button, who is a member of the Kariyarra Native Title Group that signed two joint venture contracts with Morris Corp said: “I would like to thank Fortescue for this great opportunity. As Aboriginal people, we’ve been behind the eight ball for some time and this is the first opportunity of its kind for us. I hope we lead the rest of Australia and they take notice of what’s happening here and that more Aboriginal businesses get the opportunities we’re getting.”

“This is something for all of our people and it has brought a lot of our groups closer together because now we are included in what is happening on our country and being able to provide opportunities for our children and future generations.”

The joint ventures that were awarded the contracts were:

1. Morris Corporation (WA) & Karlka Facilities Management (Karntama Camp)
2. Morris Corporation (WA) & Kariyarra Hospitality Services (Hamilton Motel)
3. Morris Corporation (WA) & MIB Catering (Christmas Creek)
4. Morris Corporation (WA) & Palyku Enterprises (Cloudbreak)
5. Morris Corporation (WA) & Kariyarra Hospitality Services & Palyku Enterprises (Rail Camp)
6. Morris Corporation (WA) & Eastern Guruma Pty Ltd (Kangi Camp)

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