



Fortescue
The New Force in Iron Ore

Media Release

Strike action threatens thousands of jobs

PERTH, 22 May 2014: Strike action by tug boat workers in Port Hedland will threaten the livelihoods of thousands of Australians and cost millions of dollars in lost government royalties and tax revenues that will put more pressure on health, education and emergency services all over Australia, Fortescue Metals Group Limited Chief Executive Officer Nev Power said today.

Mr Power said strike action sought by the Maritime Union of Australia on behalf of deckhands on tugboats at Port Hedland should be of concern to all Australians and could reverberate across the nation.

In the event of a strike, Fortescue will be forced to take action to reduce its costs. Fortescue employs more than 8,000 people, including 1,000 Aboriginal people at its operations.

“In the event of a strike, Fortescue will be forced to consider standing down its operations and the associated workforces for indefinite periods of time,” Mr Power said.

“The actions of a small group of people now have the real potential to impact many lives for an extended period.

“This action potentially threatens the livelihoods of tens of thousands of people working directly in mining in the Pilbara but the flow-on impacts will extend around the nation,” Mr Power said.

“There is something wrong with our industrial relations laws when a small group of 45 people who would like to only work 22 weeks a year and be paid a base rate about three times the base wage of a first year nurse in the Victorian health system¹ can hold to ransom an industry that generates more export earnings than any other and is relied upon for significant revenues to state and federal governments.

“Australia’s reputation as a reliable low cost supplier of iron ore that has been built up over many years of hard work is today at stake because a handful of people advised by the most militant union in the nation have been given authorisation to strike.

“All Australians should also be aware that the loss of royalty revenue in particular to Western Australia would mean that less GST would be available for East Coast states and therefore budget pressures would worsen and potentially impact the delivery of health, education and emergency services.

¹ \$53,513.20 per annum – Nurses And Midwives (Victorian Public Health Sector) (Single Interest Employers) Enterprise Agreement 2012-2016

“We will take whatever steps are available to stop this dispute from having any impact on our people, our business and the nation, but the current industrial laws do not provide for any certainty.”

Mr Power said Fortescue was preparing an application under Section 426 of the *Fair Work Act 2009*, which enables third parties who are significantly harmed by industrial action to seek orders suspending industrial action on the grounds of significant economic damage.

Background information:

- BHP Billiton is the exclusive monopoly operator of the single tugboat licence concession issued by the Port of Port Hedland
- The Port Hedland Port Authority is responsible for licensing towage operators at the Port
- BHP Billiton outsources the management of these tugs to a company called Teekay, which is the counterparty to the EBA with the MUA members
- There are 14 tugboats in total, manned by three people per tug, an engineer, a master and a deckhand
- A deckhand requires no formal training, it takes about four days to learn the job. A master has significant qualifications and an in-depth understanding of the channel while an engineer has a university degree
- They belong to three unions – the engineers belong to the Australian Institute of Marine and Power Engineers, the Masters to the Australian Maritime Officers Union and the deckhands to the MUA
- All three unions have sought, and have been granted, protected action ballot orders
- The MUA declared their ballot on 12 May, supporting protected industrial action for up to a week if negotiations on a new enterprise bargaining agreement do not reach a resolution
- The ballot for the other two unions close in June
- Teekay has been bargaining in good faith with the maritime unions since July 2013 in an effort to finalise an agreement by the expiry date of the current EBA

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