



A Silver Lining - A Media Strategy Proposal

Fortescue Metal Group - Safest, lowest cost, most profitable mining company

Fortescue Metal Group (FMG) is a proudly West Australian company and one of the world's largest, lowest cost and profitable iron ore producers. Producing 180 million tonnes of iron ore annually in the Pilbara, FMG is a core supplier of seaborne iron ore to the China market. Recognised for innovation and industry-leading development of world-class infrastructure, FMG envisions to be an environmental forefront mining company with an emissions reduction goal to achieve carbon neutrality by 2030. One of the top businesses in WA providing local employment for West Australians, FMG values creating an empowering, diverse, and enthusiastic workplace. With a 14% indigenous employment rate, Fortescue is "committed to partnering with traditional custodians safeguarding the environment and cultural heritage now and for the future". FMG is further committed to "providing training and employment pathways for the next generation of our workforce to help build a pipeline of diverse talent for our operations" (Fortescue, 2021).

2021 and the Current Business Landscape

As a Western Australian business, FMG has not been exempt from the current Covid19 crisis. With a major decrease and loss in jobs throughout Australia in early 2020 due to mandatory lockdowns, the coal and mining industry was a major player in creating a job boom despite the pandemic pressures (Tan, 2021). Particularly the Western Australia mining sector, secluded from highly populated cities as well as in continuous demand for supply, played a major part in "ensuring the state and the rest of Australia recover from the devastating economic impact" (Azevedo, 2020). According to the Western Australian Government, mining construction activities were responsible for most of the employment growth throughout the pandemic (Johnson & Brady, 2020), believing that despite the circumstances and future unprecedented circumstances, the mining sector will remain relatively resilient (Barker & Haulbook-Walk, 2021).

Due to this fortunate case in an unfortunate global situation, Australia, and particularly Western Australia, continue to be the biggest iron ore exporter to China, which gets about 60% of its supply from Australian exports (Tan, 2021). Despite both the pandemic as well as a long-standing bilateral political conflict, China continues making Australia rich with record-breaking iron ore prices in recent years (Tan, 2021). However, it is believed that that whilst the iron ore trade has remained unscathed, it is predicted by economists that Australia is unlikely to enjoy another decade long mining boom as China continues blocking various Australian exports as the heated feud between countries rises (Tan, 2021).

Adaptability to Unprecedented Times

Observing the current news media landscape surrounding FMG, Covid19 continues to be a pressing issue continuing into 2021 and is predicted to continue into 2023. However, FMG finds an opportunity in crisis creating and supplying jobs, helping WA's unemployment rate, falling from 6.4% in November of 2020 to 6.2% (Zakharia, 2020). With employment in the mining industry hitting a nine-year high according to the Australian Bureau of Statistics, "figures show 270,000 people were employed into mining either full-time or part-time for the May quarter of 2021 (Government of Western Australia, 2021). Fortescue, one of the major companies within this statistic, aided WA in becoming the only Australian state "to have now had seven-plus consecutive months of employment growth" despite the challenges of the pandemic (Zakharia, 2020). "The Western Australian resources sector has achieved record increases in sales and jobs during the 2019-2020 financial year" (Johnson & Brady, 2020). A blessing in these times as WA's main export industry continues to support the economy and its locals.

With a decrease in work throughout Australia and the world, statistic studies have found an ever-increasing issue pertaining to diversity in the workplace. A problem becoming more pressing as job positions have become less available, and therefore, not open to as many individuals as possible. This is without factoring in the decades of systematic oppression already in place. FMG, however, addresses this issue currently and heavily being pushed in the news media, by continuing to be a diverse workplace. "Growing the future workforce and ensuring the Western Australian resources sector is equipped with the appropriate skill set for the future, strengthened by increasing diversity in the workplace, including increased representation of women and Indigenous people" (Ballard, 2021). While operating in a challenging economic climate, FMG recognises that it has never been more important to capitalise on the skills and talents of all people by creating diverse and inclusive workplaces (Ballard, 2021). However, as stated across the media, attracting diversity, particularly in the mining and engineering industry, continues to pose significant challenges as there is a limited number of female and indigenous students pursuing STEM fields and career roles (Ballard, 2021). This is due to a number of deeper structural barriers, one being STEM continues to be recognised as a male-dominated culture, and two being the resources in the sector which make it difficult for women and indigenous people to advance their careers and balance work with caring and cultural responsibilities (Ballard, 2021). However, even with these barriers in place, FMG is proud that they continue to employ close to 10,000 people, 95% based in WA and with 20% of the workforce being female and 12% of direct employees Aboriginal, making FMG one of the largest employers of Aboriginal people in Australia and a leading example in diverse workforces (Fortescue, 2021).

Also popularly trending in the news media, and a concerning issue pressing the world alongside the current pandemic, is the ongoing climate crisis. As a company in the mining sector, one of the leading industries in climate impact, this is a particularly pressing topic in 2021. “Widespread decarbonisation efforts across industries could create major shifts in commodity demand for the mining industry. And the mining sector, responsible for 4 to 7% of greenhouse gas (GHG) emissions globally, will also face pressure from governments, investors, and society to reduce emissions” (The Chamber of Minerals and Energy of Western Australia, 2017). With a carbon neutrality goal by 2030, Fortescue is committed to taking a leadership position on climate change (Johnston, 2020). With climate change issues in Australia such as heavy precipitation, drought, and heat, these factors directly impact the Pilbara region and the mining industry situated there. Therefore to further address this crisis, FMG has developed a remote sensing tool to protect its staff and assets as well as the remainder of WA by understanding impacts and incidences of bushfires with ‘fuel age’ data, managing the bushfire threat from space. With pioneering data science capabilities, FMG now monitors terrain, locating the best places to conduct low-intensity prescribed burns to reduce the amount of combustible material and assist the pressing heat crisis in WA (Henderson & Maksimainen, 2020).

An Opportunity in a Summer Crisis

Looking ahead at the upcoming Australian Summer of late 2021 and early 2022, the climate crisis remains to pose a major threat for not only WA but particularly the mining industry. With heatwaves damaging assets and causing unworkable conditions for field employees, the harsh Australian summer in the Pilbara is an uncontrollable enemy attacking the mining industry (The Chamber of Minerals and Energy of Western Australia, 2017). However, with top-line innovation and crisis management planning, this threat becomes a major opportunity for FMG. As one of WA’s leading companies in technology innovation and particularly IoT (Internet of Things), Fortescue has an opportunity to showcase leading-edge technology and engineering in automated machines and software, bracing the environment as well as supplying more jobs in the IT industry. Fortescue is positioned as a company that adapts to crisis whilst continuing to push creativity, innovation, and climate action.

The Target and Strategy

This media strategy proposal presents an opportunity to target the news media, particularly The West Australian newspaper as our main media outlet. Being a major player alongside the current news media issues, we offer a unique and local perspective with plans and projects that appeal to both journalists and the economic market. Present in the news, we offer engaging stories, down to earth themes, and a company vision that correlates with news media values and industry landscape. Aligning with trending news topics and as a major WA company, Fortescue holds value to the public critique sphere.

References:

- Azevedo, M., Crooks, S., Berbner J., Mareels, S., & Nucci, C. (2020). *Lessons from the past: Informing the mining industry's trajectory to the next normal*. McKinsey & Company. <https://www.mckinsey.com/industries/metals-and-mining/our-insights/lessons-from-the-past-informing-the-mining-industrys-trajectory-to-the-next-normal#>
- Ballard, H. (2021). *Australian mining employment on the rise: ABS*. Australian Mining. <https://www.australianmining.com.au/news/australian-mining-employment-on-the-rise-abs/>
- Barker, E., & Haulbrook-Walk, M. (2021). *Coal and mining exploration sees jobs boom despite COVID-19 pandemic pressures*. ABC News. <https://www.abc.net.au/news/2021-02-01/queensland-mining-employment-rate-high/13108180>
- Fortescue. (2021). *Fortescue Mining Group*. FMGL. <https://www.fmgl.com.au/home>
- Government of Western Australia. (2021). *WA jobs market booming as Recovery and Jobs plan delivers*. Government of Western Australia. <https://www.mediastatements.wa.gov.au/Pages/McGowan/2021/01/WA-jobs-market-booming-as-Recovery-and-Jobs-plan-delivers.aspx>
- Henderson, K., & Maksimainen, J. (2020). *Here's how the mining industry can respond to climate change*. McKinsey Sustainability. <https://www.mckinsey.com/business-functions/sustainability/our-insights/sustainability-blog/here-is-how-the-mining-industry-can-respond-to-climate-change>
- Johnson, M., & Brady, M. (2020). *Implications of COVID-19 on the Western Australian Mining Industry*. Hoganlovells. https://www.hoganlovells.com/~media/hogan-lovells/pdf/2020-pdfs/2020_05_29_western-australian-mining-industry_implications-of-covid19.pdf
- Johnston, M. (2020). *Fortescue manages bushfire threat from space*. ITNews. <https://www.itnews.com.au/news/fortescue-manages-bushfire-threat-from-space-552263>
- Tan, S. (2021). *China-Australia relations: is this the start of 'mining boom 2.0' as Canberra rakes in cash from iron ore rally?*. China Macro Economy. <https://www.scmp.com/economy/china-economy/article/3133821/china-australia-relations-start-mining-boom-20-canberra-rakes>
- The Chamber of Minerals and Energy of Western Australia. (2017). *Diversity in the Western Australian Resources Sector*. The Chamber of Minerals and Energy of Western Australia. <https://www.cmewa.com.au/wp-content/uploads/2019/07/2017-Diversity-in-the-WA-Resources-Sector-Survey-Report.pdf>
- Zakharia, N. (2020). *WA's nickel, iron ore sectors drive record job growth*. Australian Mining. <https://www.australianmining.com.au/news/wa-resources-industry-achieves-record-job-growth/>