

Innovation is about Empowering People

Article from the AICC(WA)'s EY Annual Signature Lunch with Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group, speaking on the topic "Fortescue's Values Based Approach to Innovation."

This event was held at EY Perth, on 3 April 2019 in conjunction with event sponsor Microsoft Australia



From L to R - Emeritus Professor Tracey Horton AO, Non-Executive Chairman, Navitas, Mr Graham Laitt, Managing Director, Milne AgriGroup, & President of Australia-Israel Chamber of Commerce (WA), Ms Fiona Drummond, Managing Partner – Western Region | Assurance Partner, EY, Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group, Mr Eric Swift, Enterprise Commercial Director, Microsoft Australia, Ms Kerryl Bradshaw, Director Resources Industries, Microsoft Australia, Ms Cheryl Robertson, WA State Director, Microsoft Australia and Mr John Cluer, Chief Executive, Australia-Israel Chamber of Commerce (WA)

Just a day following the Fortescue Metals Group ("Fortescue") public announcement of a A\$3.7 billion Iron Bridge Magnetite Project, Ms Elizabeth Gaines provided the AICC(WA) with a signature presentation outlining how Fortescue is embracing product and market innovation.

Reference was made to the culture and values of sponsor organisations EY and Microsoft, who in alignment with Fortescue maintain organisations that stand at the forefront of innovation. This was exemplified through the event introduction by EY Managing Partner, Ms Fiona Drummond, who cited the recent release of EY's [Skills Map for the Future of Work](#) – commissioned by the Minerals Council of Australia (MCA).

A world class company, Fortescue has shipped more than 1.1 billion tonnes of product, mostly to its core market of China. Innovation and business process improvement has seen Fortescue recognised as the lowest cost producer of seaborne iron ore into China. Ms Gaines spoke of the impact that innovation has not only on business outcomes, but also business culture. “It is a way of life. We put people first in everything we do. Our values based approach to improvement places innovation into every facet of business.”

Ms Gaines provided context to Western Australia as the world’s most diversified mining and energy province. The State accounts for 35% of all Australian export receipts and stands as the engine room of the Australian economy.



Ms Fiona Drummond, Managing Partner – Western Region | Assurance Partner, EY

At Fortescue innovation touches every element of business. Ms Gaines profiled the safety culture, community and Aboriginal engagement, and diversity as areas that are the focus and target of innovation beyond technology and equipment. The company also fully owns and operates its rail and shipping infrastructure. With further diversified resources projects in the pipeline, there is strong incentive to maintain an innovation agenda.

“Innovation goes hand in hand with our values,” Ms Gaines commented. “We have a unique culture, but culture is not static. You can’t take it for granted because it does evolve. It is the element of empowering people that keeps us relevant and transformational.”

Training and skills development also sit at the heart of Fortescue. With many examples of technology services and research partnerships, one recent initiative stands out for its potential operational impact and export market opportunities. Fortescue and the CSIRO have entered into a [landmark partnership](#) to develop and commercialise hydrogen technology. The collaboration between Fortescue and CSIRO includes a five year agreement that will lead to the use of alternative energy and fuel technologies in the hydrogen space. The first of the agreements will focus on CSIRO’s metal membrane

technology, which has the potential to make the transportation of hydrogen economically viable, enabling the benefits of the low emission fuel to be realised.

A further example of innovation is the establishment of a the [Fortescue Future of Mobility Centre](#) based in Karratha, Western Australia to explore opportunities for the application of autonomous mobility technology in an urban environment. Already an industry leader in autonomous fleet, the project looks towards further economic development and innovation through regional Western Australia.



Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group



Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group and Ms Kerryl Bradshaw, Director Resources Industries, Microsoft Australia

A strong focus on community values is also “part of Fortescue’s DNA”. The company has delivered more than A\$2 billion in contracts to Aboriginal business, and its pioneering Vocational Training and Employment Centre (VTEC) has seen 836 Aboriginal people begin employment at Fortescue after successfully completing training. The company prides itself on its diversity, noting that it is one of only 2 large ASX companies with a majority of female Directors.

Profiling the future opportunities for innovation, Ms Gaines drew on strategies to further reduce emissions, increase connectivity, deliver automation, enhance exploration, and to continue operational integration. A key example is the [Iron Bridge Magnetite Project](#) which is a new development for Western Australia that will further differentiate our resources sector and bolster the economy with employment and exports.

Concluding her presentation Ms Gaines returned to the [value statements](#) of the company, noting exploration into other commodities is also about expanding relationships beyond technical collaboration.

Q&A was facilitated by Ms Kerryl Bradshaw, Director of Resources Industry, Microsoft. Engagement with sponsored students provided for further discussion on empowerment, organisational structure, and the challenges of technology. Ms Gaines affirmed that AI and machine learning would have a significant industry impact, and that the Fortescue strategy was to position itself as a leader and early adopter. She also noted that “To date, no team member has been made redundant as a result of automation.”

Mr Graham Laitt, AICC(WA) President, presented a vote of thanks and a certificate for a tree to be planted in Israel in appreciation of Ms Gaines address to the Chamber.



**Mr Graham Laitt, Managing Director, Milne AgriGroup, & President of Australia-Israel Chamber of Commerce (WA) and
Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group**



Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group

About Elizabeth Gaines

Elizabeth Gaines commenced as Chief Executive Officer of Fortescue Metals Group in February 2018.

After joining Fortescue as a Non-Executive Director in February 2013, Elizabeth was appointed Chief Financial Officer and Executive Director in February 2017. She is a former Chief Executive Officer of Helloworld Limited and Heytesbury Pty Limited and has also held the position of Chief Financial Officer at Stella Group and Entertainment Rights Plc.

A highly experienced business leader with extensive international experience as a Chief Executive Officer and group executive, Elizabeth has a proven track record in financial and operational leadership across several industries, including resources, construction and infrastructure, financial services and travel and hospitality. Elizabeth has significant exposure to the impact of the growth in Asian economies, particularly China, on the Australian business environment and economy as well as a deep understanding of all aspects of financial and commercial management at a senior executive level in both listed and private companies.



Mr Eric Swift, Enterprise Commercial Director, Microsoft Australia



Mr Graham Laitt, Managing Director, Milne AgriGroup, & President of Australia-Israel Chamber of Commerce (WA), Emeritus Professor Tracey Horton AO, Non-Executive Chairman, Navitas, and Ms Marion Fulker, Chief Executive Officer, Committee for Perth



Ms Cheryl Robertson, WA State Director, Microsoft Australia, Ms Elizabeth Gaines, Chief Executive Officer, Fortescue Metals Group, Ms Fiona Drummond, Managing Partner – Western Region | Assurance Partner, EY, Mr Michael Rundus, Advisory Partner | Global Mining & Metals Cybersecurity Leader, EY, Ms Kerryl Bradshaw, Director Resources Industries, Microsoft Australia and Ms Diane Jurgens, Chief Technology Officer, BHP

