

**HANSARD 25 NOVEMBER 2011**

**RAILWAY AND PORT (THE PILBARA INFRASTRUCTURE PTY LTD) AGREEMENT  
AMENDMENT BILL 2010**

*Second Reading*

**DR M.D. NAHAN (Riverton)** [5.01 pm]: In speaking to the Railway and Port (The Pilbara Infrastructure Pty Ltd) Agreement Amendment Bill 2010 I will make a few statements about Fortescue Metals Group and acknowledge entrepreneurship.

In this house we praise, quite rightly, people who accomplish things for the community, whether it is volunteering, science, medicine or politics, but we also recognise the importance of entrepreneurship. Sometimes, for good reasons, entrepreneurs get a bad name or an entrepreneurship does not work, but in this case we witnessed a significant achievement—that is, FMG went from first obtaining the iron ore deposits in 2003 to having a producing mine in 2008.

That was a huge achievement. FMG did not start with a large amount of cash; it had to go out and acquire the funding from various sources. In the development phase, FMG did not get the support of the major sources of cash in Australia so it had to go offshore to get it. FMG was developed with a great deal of scepticism. The company had to acquire a whole new team and one of the major achievements of FMG was that—I think the member for Pilbara mentioned this—Andrew Forrest had the wisdom and probably the experience that he needed to put together an experienced team of mining experts. Mr Forrest accumulated people who had experience from BHP Billiton, Rio Tinto and other mining companies and put together one of the best teams around to develop the mine.

I note that FMG first started developing and building its asset in 2006 and finished in 2008. FMG was assisted with a quick approval process by the state, but if members recall, a large number of other operations that tried to get projects going during that period went bankrupt because they had a hard time controlling costs and getting it done. That it was completed in two years and on time from start to export during a period of unprecedented price inflation was a huge achievement.

That achievement is significant because not only is FMG now the fourth largest iron ore exporter, employs 3 000 Western Australians, and has an asset base of \$20 billion and a local Australian investor class of 50 000 people, but also it is a Western Australian firm, whereas the other foundation mining firms of BHP and Rio have gone global—good on them. The focus of those companies is very much the world; FMG's focus is very much Western Australian. FMG added a large local operator to the Western Australian iron ore market and that is a major achievement.

Of course, Mr Forrest has spent a lifetime going in and about the mining sector. In the 1990s he was the managing director and entrepreneur behind Anaconda, which, at least for him, left him in some trouble and he left it, although the operation continued under others. He then had a period where he was down in the early part of last decade, in 2000–01, but, as entrepreneurs do, he picked himself up, looked for new ventures, talked with good people and gave birth to a very large Western Australia mining firm. That is entrepreneurship and we all benefit from it and I acknowledge that.