

# Roy Hill bucks price trend with 500 new jobs

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Gina Rinehart's Roy Hill Holdings plans to hire another 500 workers over the coming 18 months despite expectations the iron ore price will fall next year.

Roy Hill chief executive Barry Fitzgerald yesterday said the continued ramp-up of the company's namesake iron ore mine in Western Australia's Pilbara coupled with a move toward a deeper portion of the deposit would help grow the workforce in the months ahead.

Speaking to reporters following Roy Hill's launch of a new education program for Perth high school students, Mr Fitzgerald said the unexpected strength in iron ore prices this year had been a "very beneficial" boost for the company — albeit one he did not expect to continue.

"The forecasts for next year remain still [for the iron ore price] to be low. I'd probably see that to be more likely than unlikely," Mr Fitzgerald said.

“But I don’t hold myself to be an expert. The definition of an expert on this is someone who’s probably been wrong three times in the past year.”

Despite numerous analysts and commentators predicting a retreat in iron ore back towards the \$US40 to \$US50 per tonne market, the steelmaking ingredient has instead been trading close to \$US80 a tonne in recent months.

The plans to recruit extra workers at Roy Hill contrasts with recent steps by iron ore giant Rio Tinto to again cull its workforce.

Rio Tinto last month confirmed it would embark on another round of cuts, with about 500 jobs set to go in the months ahead.

Mr Fitzgerald’s appearance came just days ahead of the first anniversary of the maiden shipment of iron ore from the \$10 billion Roy Hill project. The mine, he said, ticked off another milestone last week when it achieved lenders practical completion and was on track to reach the target of 25 million tonnes per year production rate within its first year.

Yesterday’s opening of a learning centre at Roy Hill’s remote operations centre near Perth airport was an initiative from Roy Hill executive chairman Gina Rinehart.

Mr Fitzgerald said the centre aimed to correct some of the “many misconceptions” about the mining industry.

“The chairman has always been very focused on promoting robotics, automation and particularly the mining industry, so this is really a continuation of that message,” he said.

Roy Hill is 70 per cent owned by Mrs Rinehart’s Hancock Prospecting, with Japan’s Marubeni (15 per cent), Korea’s Posco (12.5 per cent) and China Steel Corporation (2.5 per cent) holding the balance.

Hancock last month reported an underlying net profit for 2016 of \$443 million, down from \$663 million a year earlier.