

**Video address by Mrs Gina Rinehart
Executive Chairman of the Hancock Prospecting Group and
S. Kidman and Co
The Australian's Global Food Forum 2017
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Australia could be the world's food production powerhouse

WATCH: www.youtube.com/watch?v=pDxM8eJcSfc

Good morning Anthony, distinguished guests and friends,

Welcome to the 5th Global Food Forum.

Thank you to my friends Anthony Pratt, Executive Chairman of the Visy Group and Penny Fowler, Herald and Weekly Times Chairman, and thank you also to the Editor-in-Chief of The Australian, Paul Whittaker, and William Lewis of The Wall Street Journal for convening and organising today's important forum.

Anthony is an outstanding Australian to follow!

This morning I would like to talk about two things - firstly, the practical importance of innovation through technology and how the usages of technology are changing and can improve agriculture right around the world.

And secondly, how excessive tax and regulations are holding us back from further growth in Australia and risking Australia's export revenue potential, and undermining Australia's ability to become a more important and reliable food source for our growing world.

So perhaps I can borrow from a courageous and intelligent leader, Prime Minister Netanyahu, from his recent address, on his first visit to Australia as Israel's Prime Minister.

His speech was about two 'T's' – technology and, I'm substituting his second 'T', with taxation – including other government impediments and imposts to maintaining and raising living standards.

Barnaby Joyce is right - we could be on the verge of agriculture's "golden era"— cattle prices are at record highs, land values are rising, dams once permitted to be built are filling, overseas demand for clean Australian agricultural products has never been higher, and Australia is fortunate to have technology we can use to help maintain our competitiveness, despite Australia's high costs.

This year, for the first time, Australia's farm production is forecast to surpass \$60 billion.

Although this figure is a record, the key number is this: by 2050, the world's population is projected to hit 9.5 billion people.

Asia's middle class alone is forecast to grow to over three billion people by 2030 – that's three billion people right on our doorstep, who will increase demand for food and high quality food.

The economic opportunities for Australia are extensive, and with our clean air, clean water and extensive lands, together with increased usage of technology and greatly changed tax and regulatory burdens, we would be well placed as a country on the global stage to supply both ourselves and our neighbours.

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- *Our agribusiness, including both Hancock and Kidman properties, is now Australia's third largest producer of cattle with a total herd size reaching over 300,000.*

At Hancock, we have had a busy but exciting time ahead improving our agricultural operations to meet this growing demand.

As Asia's appetite for beef grows, we launched our inaugural shipment to China last month of Hancock's new premium Fullblood Wagyu beef brand, 2GR.

Investing in innovative and productive agritech

On my first tour of the recently acquired Kidman stations, I was excited to discuss with the Kidman managers, the potential application of innovative technologies that we are already using at our Hancock stations, and their ability to improve station productivity and staff safety.

It was exciting to see the growing enthusiasm of most of the Kidman managers, welcoming such technology investment.

As a result, we are embarking on a large-scale investment in technology across our Hancock and Kidman's properties, with more planned, should our testing of drones on our Kimberley stations result as we believe.

Across all of our stations, we are rolling out the digitalised UHF system and walk-over weighing systems, which I will address shortly, as well as solar pumps, hydraulic lifts, additional water facilities and more.

The digitalised UHF system enables clear and quick and widespread communication from anywhere on the property to anywhere in Australia or overseas, through the use of a handheld device.

The digitalised UHF devices enable private and group phone calls, text messages, brief emails and transmit emergency notices so emergencies are tracked and can be responded

to quickly throughout the station, improving staff safety, and enabling greater efficiency for managers.

The digitalised devices mean that a station manager inspecting cattle at the far-most point of say Ruby Plains station in northern outback Australia, can in a few seconds, speak directly with his station staff, Kidman's head office over 2,500 kilometres away in Adelaide or a customer in Tokyo over 6,000 kilometres away.

The digital UHF system also has advanced GPS technology ensuring alerts are sounded when nearing the properties border.

Another major technology we are rolling out is walk-over weighing, an innovative self-mustering technology which improves animal welfare through reducing the need for mustering or re-mustering cattle, leaving the cattle more relaxed and able to eat and drink when they need.

Walk-over scales are fitted near a water point and record the weight of the cattle that walk over it.

The weight of each animal will indicate the most appropriate destination for it, and a corresponding gate will open leading it into a paddock if underweight or leave the cow in the yards if ready for market.

Cattle that are nursing calves can be guided into a preferred paddock, new technology also being used at Hancock stations, gives weekly updates on pastures in each paddock, further assisting with stock management and paddock rotation.

Running on solar power, this cutting-edge self-mustering technology will assist our stations with management of cattle not only in relation to number of head, but eliminating guess work and repeat musterings for timely marketing, as the technology will keep the cattle who've reached optimum marketing weight in the stockyards. In addition to providing a safer way for cattle to be mustered, with less maintenance for vehicles.

High performance breeding stock (a cow that rebreeds within a 12-month cycle) can be easily identified helping with stock management.

A technology we plan to adapt from our usage in the mining sector is the use of drones.

Drones are able to observe, photograph and film in real-time things such as dam levels, fences, fires, floods, cattle movements and other operations.

The particular model of drones we are trialling on the largest commercial trial for drones in agriculture, will be able to carry and transport by air items weighing up to four kilograms, allowing for items such as tools, emergency supplies and medical needs such as epi-pens to be quickly and easily transported around the station.

At the inaugural Kidman board meeting with new owners in February, we agreed that we would reinvest this year's profits so that we invest in the technology we have tried at Hancock stations, plus more water facilities for the Kidman properties.

Tax and regulatory cuts needed to remain competitive

Capitalising on technology is important, but not enough alone, so now I move to the other 'T' – taxation, and regulation by our State and Federal governments.

Our governments need to urgently reduce taxes, including the corporate tax rate, stamp taxes, payroll taxes, and regulations if we are to see much needed investment rise in Australia, now at lower levels than even those experienced during the investment upsetting socialist Whitlam Government.

Take just the corporate tax rate for example.

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- *A decade and a half ago, Australia had the ninth lowest business tax rate among the world's top developed economies.*
- *Today, out of the 35 OECD nations, only five nations have a higher tax rate than our own.*

The current momentum around the world is to reduce corporate tax rates and regrettably Australia is lagging behind.

We cannot be complacent or naive and assume that our location in the Asian region is enough to guarantee successful exports.

We need to explain that the faulty information discussed in the media is not right.

Lower company taxes wouldn't just benefit a few wealthy people, but all those families who own shares in companies, as well as those employed and seeking employment, and benefit all those who have superannuation funds, as super funds invest in company shares.

Now that USA is leading the way with tax cuts, we simply can't afford to be left behind.

Lower taxes and lower other government imposts are absolutely essential if our agriculture and its related industries are to grow, and for Australia to become one of the world's great food providers.

However, considering the regulatory front, we need to learn from another courageous, intelligent and dedicated leader, Prime Minister Modi.

Within one year of office as PM, he'd slashed government tape, doubled India's economic growth and became one of the fastest growing economies in the world, raising living standards, and lifting many millions out of the miseries of poverty.

Considering India's notorious bureaucracy – British, Russian and Indian inspired over many decades, wouldn't you think cutting Australia's red tape would be comparatively easy!

For example, in South Australia, on key outback routes, cattle producers are only allowed to haul up to two trailers between stations and to meatworks, not the three permitted on outback roads in other states such as the NT, WA and QLD.

Hauling three trailers allows for more livestock to be transported in a quicker and more efficient manner, reducing truck journeys by a third.

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- *The Institute of Public Affairs' leading researchers determined last year that the cost of red tape to the Australian economy annually is at least a staggering \$176 billion – larger than the sizes of the agriculture and mining sectors combined.*

This restriction obviously results in extra and unnecessary costs per head of cattle.

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- *A Productivity Commission report last year concluded that farm businesses are “subject to a vast and complex array of regulations.”*
- *The report stated that because of their sheer number and vast complexity “the cumulative burden of regulation on farmers is substantial.”*

It is extra and wasted costs such as this, that negatively impacts stations ability to boost regional economies by investing more in their properties and employing more people.

How much more productive would our agriculture sector be if we focused our attention on investing in and growing farms and agribusiness rather than wasteful government paperwork and complying with endless regulations?

To advance the interests of our industry, I have with the support of the National Farmers' Federation, the Pastoralists and Graziers Association of WA and the Northern Territory Cattlemen's Association, applied to Barnaby Joyce for approval to celebrate a National Agriculture and Related Industries Day in late November.

We need a day on the national calendar to recognise the contribution that our agriculture and related industries make to our country and neighbours, including their importance to our current living standards and export revenue, and to point out the need for changes.

To contribute to the world as a major food supplier, Australia must focus on the 2 'T's', invest in technology to lift productivity and production, and also achieve on the government front, by quickly cutting taxes and significantly reducing regulation.

If we are to fulfil our role as one of the world's reliable food supply countries, we need to act now.

Thank you.

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