

With agriculture, only two things are certain: technology and taxes



Hancock Prospecting chairman Gina Rinehart.

- GINA RINEHART

Today 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, risking Australia's export revenue potential and undermining Australia's ability to become a more important and reliable food source for our growing world.

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.

Asia's middle class is forecast to grow to over three billion people by 2013. 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.

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. 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 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. 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. Lower taxes and 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.

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 date on the national calendar to recognise the contribution that agriculture makes to our country and neighbours, including its importance to our living standards and export revenue.

To contribute to the world as a major food supplier, Australia must focus on the two Ts, 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.

This is an edited extract of an address given by Hancock Prospecting chairman Gina Rinehart at The Australian's Global Food Forum.