

Phoenix Park sold to Gina Rinehart, KAI grabs station



Mark Wilton | 9th Aug 2016 8:52 AM



Hancock Prospecting owner Gina Rinehart with company CEO Garry Korte (left) and the General Manager of Cattle Scott Richardson. Mrs Rinehart's company has just acquired another slice of the Territory near Katherine.

Contributed

THE Northern Australia pastoral land and business buying bonanza has continued, with Consolidated Pastoral Company selling its Carlton Hill Station and Gina Rinehart securing the 20,000 head feedlot Phoenix Park near Katherine.

The purchase of the feedlot and export yards will help secure supply routes for Mrs Rinehart's Territory cattle property portfolio, which now includes Inverway and Riveren Stations in the Victoria River District.

Mrs Rinehart's company Hancock Prospecting purchased both stations earlier this year.

Consolidated Pastoral sold Carlton Hill Station, in the Ord River District of Western Australia, to Chinese property developers Shanghai Zhongfu, which trade in Australia as Kimberley Agricultural Investment.

The deal also includes a leaseback arrangement that ensures CPC will retain access to Carlton Hill Station for beef production through a 10-year lease of the vast majority of the 476,000 hectare property.

CPC, which is Australia's largest privately owned beef producer, has retained ownership of all of the cattle and plant and equipment.

Hancock Prospecting CEO Garry Korte said in a statement that "the purchase of Phoenix Park is an integral part of being able to maximise our on station breeder carrying capacity and enables us to maximise sale weights via the supplementary feeding of locally grown fodder.

"Hancock is interested in investing in areas where we can add value to our existing operations," Mr Korte said.

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Mrs Rinehart said the acquisition of Phoenix Park was a strategic one for her company.

"(It) will give HPPL the ability to supply cattle throughout the year, including during the wet season, so we hope to be reliable suppliers to our markets.

"We will also be contributing to local employment and the business community in Katherine and the Northern Territory, something that is important to me.

"As I have said previously, having grown up in the north, I would like to make a contribution to the development of Northern Australia," Mrs Rinehart said.

The sale of Carlton Hill has received Foreign Investment Review Board and West Australian government approval.

CPC chief executive Troy Setter said the decision to undertake a sale and leaseback of Carlton Hill was consistent with CPC's strategy to "leverage its assets whilst staying true to its core competency, which is beef and cattle production".

"The transaction is value accretive for both businesses. It will help to strengthen CPC's North Australian portfolio, the gateway to the rapidly expanding Asian markets, and provides KAI with access to additional fertile land for irrigated cropping," he said.

"Proceeds from the transaction will be reinvested for growth in CPC, including in operational improvements to increase cattle and land efficiency, and further investment in our value chain to move us closer to our end customer.

"We are extremely pleased to be partnering with KAI, who are critical to the future of development of the Ord region, and look forward to working with them on the ongoing success of Carlton Hill."

Jian Zhong Yin, chief executive officer of KAI, said the company was looking to continue developing land for intensive irrigated farming, adding scale to the region and KAI's existing operations.

On the back of this acquisition, KAI will be exploring other integrated business opportunities within Northern Australia.



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