

Presentation to WA PGA Kimberley Forum 12th April 2019.
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Hello all and thanks for the introduction Doug.

Thanks to PGA President Tony Seabrook, his team, and all other presenters today for taking the time to be here, and also a big thanks to all the Pastoralists who have also made the effort to attend today.

It is a pleasure to have an opportunity to address this Kimberley Region PGA Conference.

I would like to note that Mrs Rinehart was pleased to be invited by PGA President Tony Seabrook to give this address and was unable to attend due to prior interstate commitments, and subsequently nominated me to say a few words here on behalf of our organisation and Industry.

A little about me for those of you who don't know me:

I am currently the General Manager Agriculture for Hancock, as part of the team providing oversight and management to our Hancock Properties in the NT and WA, and helping to lead our future.

My entire life has been spent in the Northern Australian Extensive Beef Cattle Industry.

I grew up on a cattle station in SWQ owned by Stanbroke Pastoral Company, that was the original Stanbroke owned by AMP, Borthwicks and Kidman, not today's version which is a vastly different operation. We had Kidman neighbours on two sides. My early years were HF radios crackling endlessly in the kitchen, kerosene fridges, wood stoves, a generator that went off early every night, a fortnightly mail truck, seemingly endless freedom to go as far as we wanted in an amazing backyard, interrupted by too much school of the air that annoyed myself and my three brothers considerably. Boarding school was a further imposition on that freedom but it was followed quickly by a return to the land and the industry I grew up in and love.

I consider myself to have been so fortunate to have seen and participated in such change in our Industry. My first jobs were horse bells and hobble chains, and a lot of dangerous horses, I was lucky or unlucky enough even to participate in musters using pack horses on the Cooper Flood Plain. We had no refrigeration in stock camps, and carbide lights were the norm. Luckily for me things changed very rapidly in my first decade at work. BTEC, Bos Indicus cattle, helicopters, some American horse trainers, and road trains were some of the big changes that came rapidly in the 70s and 80s.

Like many young Jackeroos I decided I would see how good I was and went west, obviously not far enough because I didn't make it to the Kimberley. I have however spent most of my working life in corporate management roles, with slowly increasing administrative responsibilities, and decreasing active hands on participation, based on predominantly NT cattle stations. In late 2017 I was fortunate to become part of Mrs Rinehart's Hancock team and moved to Perth earlier this year.

During my time in the NT I became actively involved in the PGAs NT counterpart the NTCA, spending some years as Chair of the Barkly Branch and served on the Executive for several years as well. During that time I was also elected by the NTCA Members to represent them on the Cattle Council of Australia for two terms. I also had the experience to be elected to serve two terms as a board director of Meat and Livestock Australia. So I have a lot of respect for the hard work that is carried out by our Industry bodies in what is often very difficult circumstances and usually with minimal resources. With increasing problems ahead, the need for these bodies and their strength, is surely growing. I do just want to diverge from my script for a little here to support the President's comments about participation this morning. Thank you all here today for being members, if you know any producer around you or in the district that are not members it is worth having a discussion with them. The reality is that if state or Federal Government's want advice on ag policy development they will not call a private producer in the Kimberley to ask his views, they call the Industry organisations such as the PGA who advocate for the entire industry, not just for their members. So those producers that are not members are being represented anyway, but they are not pulling their weight financially and more importantly they deprive themselves of the opportunity to contribute and have their say.

I have been asked to comment today firstly on Hancock Agriculture's vision for the Kimberley, and for Agriculture in WA.

Hancock Agriculture is a relative newcomer in corporate Agriculture seeming to have come from nowhere in recent years to be one of the biggest players in the country if not the world today.

However the connections with and commitment to the land and agriculture in the family behind this business goes back generations. Among the many notable connections, Mrs Rinehart's mother's father, James Nicholas, was a

friend and business partner of Sidney Kidman, and they held some stations together, so it must be of great pride to the current generation that the Kidman business today is held in their dedicated Australian hands, and has a brighter future with increased investment.

Our vision for Agriculture is simple. It is to be the best. To be the best at what we do. To do that we need the confidence of our shareholders and great people committed to that vision. It is a journey, not a destination. We want to be the best at producing food while we protect, maintain and develop the assets we hold to be able to perform at their maximum potential. And we are absolutely committed to the very best animal welfare practises that we can deliver. This has been strongly led by Mrs Rinehart.

We are fortunate to hold what we believe are iconic properties here in the Kimberley, including Fossil Downs and Livinga, with rich histories. I am sure our Nerrima Manager here today would add that his property is iconic too but I am not sure it qualifies yet!

Owning and operating such properties comes with some heavy responsibilities, we have to protect and maintain them, and we have to maintain the rich history that they represent.

That history includes one of striving to be better, to go further, to try harder, to accept challenges that others don't, to sometimes take risks that seem insurmountable, to push the boundaries of what can be done. When the member of the MacDonald family on the way to what became Fossil Downs faced up to the barrel of a gun held by a Durack family member toward the end of both families fabled cattle drives into the uninhabited Kimberley well over a hundred years ago he was taking risks, going farther, trying harder.

When it comes to these attributes our part of the Kimberley's are in good hands. We don't have to face up to guns, the challenges are different. But they are formidable.

Ever since I was a small boy I have read and heard of the potential in the Kimberley. It has ever been spoken of. Unfortunately I didn't come and work here in the early part of my career, I was one of the many to whom it seemed off the edge of the cliff, too far away, too isolated, too remote and it seemed to me to be not progressing. I wondered why the 'potential' hadn't been realised. Now that I have been lucky enough to have some involvement I see the potential is still here and the impediments are still the same, with some newer ones thrown in as well. We in Hancock believe there is great opportunity for Kimberley to begin to realise that potential. Providing of course there are less government impediments.

Yes so much has been tried before and failed, but if we used that as excuse the human race wouldn't have gone far. We would all still be riding horses because the first cars broke down.

The Kimberley has an opportunity to produce much more and much higher quality food than it does through adding intensive agriculture on much larger scale than is current. The recent study released by CSIRO in 2018 identified that there is potential for 160,000 Hectares of irrigated farmland in the Fitzroy Catchment, which would result in thousands of real jobs, which this region desperately needs to help address the social dysfunction that currently exists here, and begin to allow the potential to be unlocked. We are told over and over that it can't work here, it will destroy the environment, it has failed before, it is too far away, that there isn't enough water, that there is too much water and it will all be washed away (yes by the same people!).

The CSIRO report debunks much of that, it is an unbiased independent report prepared by scientists, internationally peer reviewed. It should not be ignored.

Part of the Kimberley's future has to be to allow at least small parts of it to be developed so that it as a region can progress. It should not just be an isolated northern part of our country to be left to increasing populations of kangaroos, snakes, crocodiles and dingoes and an increasing number of unemployed people in socially dysfunctional communities because there is no economic development. To enable this to happen the pathway to freehold tenure needs to be much faster and simpler, and would provide opportunity for traditional owners to have a share in ownership of that Freehold. There would also be far more opportunity for employment for the traditional owners than a National Park would offer. Government should surely be encouraging and helping enable this to happen.

Red tape, green tape, and social dysfunction has been created and it has maintained by a culture of dependence in the Kimberley that is continually re-enforced by politicians sacrificing the Kimberley's opportunities to satisfy the social propaganda of the voting inner-city public who are subsequently not directly affected by the results, and noisy lobby groups, who often live thousands of miles from the Kimberley's and have most likely never lived here.

Why does this happen to the Kimberley? It is because there aren't enough people here and of those, not enough speaking up. And there are not enough votes and not enough industry that adds to the GDP of the state and Nation. To achieve the opportunities identified in the CSIRO report will take investment in the many hundreds of millions and result in thousands of real GDP producing jobs contributing to the local, regional, state and national economy.

A New or bigger National Park that creates a handful of jobs funded by the state, i.e. by us the taxpayers, is no alternative.

We can produce more food of higher quality right here if we allow a small part of the resources here to be developed. And let's be serious. Who wants to farm the marvellous gorges or ranges or coastlines that the Kimberley is famous for? Who wants to turn this part of the world into the Murray Darling where the water resources is over allocated? The answer to those questions is no one does.

How much is 160,000 hectares or 100,000 hectares in the Fitzroy valley? The answer is a tiny part.

How much is the 1170GL that CSIRO identifies as potential for surface water extraction in the Kimberley compared to what the amount that runs out to sea? The answer is that it is a very small part.

How good is the science and technology that is available to measure and protect the rivers today compared to when the Murray was over allocated? The answer is much better.

Yes distance has been an issue for the Kimberley for ever but it is going to become an advantage in the near future.

We are closest in Australia here to the region in the world where the middle class is forecast to grow by 2050 to over 3 billion people. I speak of course of how close we are to Asia. If we can grow high quality cattle here, feedlot them here, and process them here in facilities here such as Jacks at KMC and ship it from here, how much would that add to the local region. It can be done. At the moment we are at the bottom end of the beef market, typically producing product for Asian wet markets or hamburger grinder beef.

Yes farming has been tried here before and failed. Failing is no reason not to try again, lessons have been learnt. Our Liveringa Farm Manager lives in the house built for Kym Durack while he was involved in the very early efforts at Camballin. His literature is worth reading, he lost his job there because he was too cautious for the aggressive shareholders of the 1950s who were focussed on selling the opportunity by way of land sales, as opposed to careful development of the opportunity he saw. Mistakes were made that would not be repeated today. That they were made is no excuse for not using modern methodologies that are clearly more apt and suitable for the region.

Hancock Agriculture is committed in our business to the introduction of technology to do what we do better. We are about investing in practical technology, we are about enabling our staff to do their job better and safer.

We have installed digital radio systems across our business that allow for so much better communication that improves management and safety immeasurably. It is much more than people talking to their workmates on the radio locally. I can speak to someone on a horse at Fossil Downs from my mobile phone in the street in Perth. Or I can look on my laptop and see where that person is on Fossil Downs. I can also watch cattle being processed in the cattle yards and see for myself the cattle I may be negotiating a sale on, and show them to a potential buyer in my office, controlling the camera to pan and zoom in. All through our digital radio network. And our team members in remote environments are able to press an emergency button on their radio in their vehicles or their handheld strapped to their chest that alerts their station office, and our head office that they are not only in trouble, but exactly where they are.

I can get a report on a mob of steers at Fossil Downs that shows what their ADG is in real terms, what they have done over on an individual or mob basis over the last week, month or year and have that compared to historical performance in that paddock. And they don't have to be mustered for that information to be presented.

We are also about to begin to roll out a telemetry system that will manage our water facilities across the business. We are able to check waters, monitor flows in pipelines, levels in tanks and troughs, start and stop pumps, check creek flow levels, receive widespread rainfall reports from across the property. Our system is designed so that we can tell what the problem is before someone is despatched to investigate it, so they take the right tools to the right place. Whilst much of this is not new to the Industry in our case it is in real time and all through our digital radio system, so we are not paying ongoing access fees that other systems are locked into forever, typically through satellite coms that are expensive.

Our commitment to reducing our exposure to fuel prices has the business on an aggressive rollout of solar hardware. We have virtually no electric or gas hot water systems left, , and we are replacing all of our diesel pumping systems

through an aggressive program that at current investment rates will see them all replaced within the next 3 years, if not earlier.

We have developed technology with our preferred suppliers of premium products that allows the interrogation and management of these installations through our remote telemetry digital UHF systems.

All of these systems are monitored on station but can also be monitored by the team in our offices in Perth who can alert the station team if for example an air-conditioner has failed in a comms room and the temperature is rising to a level where the battery performance may be effected. The IT team can also switch the units to the back up from Perth.

We have invested heavily in shade for our livestock. I must admit that as a lifetime cattleman who thought I knew most of the ways to economically improve the production performance of cattle I was somewhat sceptical of what the payback period would be on these structures. But when you drive up to shade on a hot summer day on an open plain and it is packed with cattle that are very comfortable and content chewing their cuds any real cattlemen will appreciate that this is going to work. And the cooler water when shaded has benefits, less evaporation, less germs. I say now that these shades are actually cheap at the price. If you improve the comfort level of the animals you improve their performance, our chairman has driven this and wants to see even more shades across our water and yards.

We are investing in genetic change with a program to improve the eating quality of our product by the infusion of the best eating quality genetics in the world. Wagyu. This is a long term project as we all know that turning the genetic ship in a large commercial herd is a slow process but we recognise that eating quality is what matters to the consumer and they pay the bills.

We are also investing strongly in the drone space as we believe this technology has a large future in an industry that has such a huge geographical footprint in remote environments. We are proud of the fact that we have the only BVLS license in Australia right here on Nerrima Station in the Kimberley. However we want these approvals from CASA across all of our stations, which you'd think government would want too, given the massive saving in fuel, and their Paris accord agendas, let alone the extra safety for our people that we see this technology offering. These are just some of the changes we are pursuing, in short we are taking on the big challenges and the small in Hancock, with the continual drive to do better, to invest in our future, to be better at what we do.

Safety is something I want to touch on briefly as well. It is something that bothers me immensely as a threat to the Industry we love. We as an Industry have to address that. We have to, it is our Industry and if we don't address it the Government will address it for us in ways that will hurt our way of life. Our parent company is involved in resources, as you all know, so have a lot of experience and tools to help us address this. I like to think we are leading the way with sensible practical methods. Shade over cattle yards, solar pumps, instead of staff climbing windmills, CASA approvals for out of line of site drones, for say up to 12 drones for each station, provided we flew them not over airports, towns or defence facilities and kept under 400 feet above ground, which we consider would help our safety greatly. It is our Industry, all of ours, it is up to us to do better before it is forced on us.

Red tape gets in our way continually, from where we have to pay an extra \$40 per head to bring cattle from the NT to have them slaughtered in WA, to the never ending compliance burdens and extended timeframes that every permit and license to operate takes for our staff to go through.

We as an Industry are threatened by the ridiculous politicisation that the climate change debate has inflicted on us as a nation. I was fortunate when I was on the NTCA executive that a recently passed life member of that organisation in Grant Heaslip from Alice Springs gifted copies of Ian Plimer's book Heaven and Earth to the executive. It addressed the topic in great detail and for me exposed the nonsense that the whole premise is based upon. It is a heavy read but I recommend it. He has a more recent publication: "The Climate Delusion and the Great Electricity Ripoff" which is also enlightening and horrifying for our nation. How has one of the world's largest exporters of coal, oil, gas and uranium ended up with unreliable and horrendously expensive energy? How have we let this happen? We are in an election campaign now and both major parties are in a desperate race to the bottom without sufficient regard for the tens or hundreds of billions of dollars that joining the Paris accord will cost Australia, the latter will destroy this country. It is sheer madness. And the Greens, who like it or not are a mainstream party likely to be in power with the ALP, have a published energy policy that to quote journalist Terry McRann, in a recent article in the

Australian, is “completely and utterly batshit crazy” . And even if human induced climate change is true, despite the natural climate changes from ice to global warming before man was even on this planet, there is still nothing that turning off every light on this island will do to change climate change. We are complete minnows in the world equation.

Climate change has been occurring forever, since long before we occupied the planet. I refer of course to the cycle of ice ages and global warming that has been going on for billions of years, course there'll always be natural and significant climate change, the sun changes, the earth is not round, it's orbit around the sun is not round, and it's distance from the sun varies.

Both parties, but particularly the ALP are trying to sell the notion that signing up to the Paris accord won't hurt the people in this country. That they are just targeting the big polluters. At the end of the day the consumer pays for everything and they are all going to have to pay more because of this madness and this country can't afford that.

Yes, government tape is currently the biggest impediment to our industry, but our political party's plans for this Paris accord, is I believe the greatest single economic threat facing our country.

The Liberal policy is estimated to cost our country around \$ 70 billion, and the Labor party's policy is estimated to cost us a crippling amount, closer to \$ 480 billion. Yes, the ALP will have to shut down our aluminium industry, close half of our coal mines, and close around half of our coal fired power stations. There can be no doubt about what will result, there has to be dramatic increases to power costs, unreliable delivery, and fuel costs increase sharply as well. With such threats facing our transport sector you would think that we should be able fast track drone approvals, but no, that license for Nerrima that I referred to earlier has taken us close to 3 years to attain.

I hope we are not back to those carbide lights too soon but it might not be too far off.

Thanks to PGA for having me here, and thanks for the good work you do in promoting and protecting our industry. I am a big supporter of vibrant strong functional state and federal agriculture organisations that fearlessly take on the issues supporting their members and our industry and the PGA are doing that.

Keep it up.
Thank you.