

**Speech by Mrs Gina Rinehart
Executive Chairman of the Hancock Prospecting Group,
Roy Hill and S. Kidman & Co
American Chamber of Commerce in Australia's (AmCham) 50th
Anniversary Gala Dinner
Friday 25 May 2018, Adelaide**

Thank you April for such a lovely and warm introduction.

Good evening Governor Hieu Van Le, Mrs Le, Premier Marshall, Acting US Ambassador James Carouso, our Kidman partner Mr Gui, Minister Canavan, Senator Bernardi, other Members of Parliament, distinguished guests and friends.

It is an honour to be here with you tonight to mark AmCham's 50th anniversary. I am also happy to be back in Adelaide – an area I always enjoy visiting.

Can we please start with a very big round of applause for AmCham as they mark their 50-year milestone?

APPLAUSE

This is a memorable weekend in Adelaide as tomorrow night is the sold out celebration of the Royal Flying Doctor Service's 90th anniversary – a great organisation that does so much for our rural communities.

And, can I also acknowledge new South Australian Premier Steven Marshall and Mr Gui who are both in the audience tonight. It is wonderful to welcome you both here.

APPLAUSE

Mr Gui, our Kidman & Co business partner, is also the person who brought AFL football to China for the first time last year and just over a week ago, the second AFL match in China was played.

Congratulations to Port Adelaide on your second win in China!

As April mentioned, Hancock Prospecting first became a member of AmCham in 1994 and we are delighted to be part of your organisation.

AmCham is an important voice between the USA and Australia assisting commerce, investment and people-to-people links between our two nations.

Australia and the United States share a historic alliance and July 4th this year marks 100 years of mateship between our countries.

It was back on the 4th of July 1918 during the Battle of Hamel in Northern France that for the first time in US history, elements of the US Army were commanded operationally by non-American officers, including Australia's Sir John Monash.

Australia is also the only country in the world that has fought side by side with the United States in every battle for the last 100 years.

In turn, the USA has done much to protect our country, including during the Second World War, in our dire hours of need. Thank you America, is a huge understatement, but should long be remembered.

Last year on the USS Intrepid in New York, I was very fortunate to hear President Trump speak about the strong bonds between our countries and briefly outline his vision for America.

As President Trump says, America will forever be *"a nation of pioneers and patriots, risk takers and renegades, aviators and astronauts. We crave adventure and achievement, exploration and enlightenment.*

The United States, under President Trump's leadership, is showing everyone they are open for business and investment, and truly on the way to making the USA great again.

In America, President Trump has slashed the corporate tax rate from 35 percent to 21 percent and government red tape is being cut, with the Trump administration slashing 22 regulations for every new one.

All we have to do is to look at what is happening across the Pacific Ocean to see that cutting company taxes and decreasing tape is good for the economy, small business owners, workers, the unemployed, individuals and families.

Isn't it exciting what is happening now in the USA.

Here are some exciting facts, much more exciting than fake news:

- The unemployment rate fell below 4 per cent for the first time in nearly 20 years;
- Unemployment claims are at their lowest level in nearly 50 years;
- Over 3 million jobs have been created in a year;
- Business optimism at an all-time high;
- The stock market has repeatedly reached record highs;
- Investment is strong and rising;
- Wages are rising with the usual weekly paycheck for the median worker rising by its fastest rate in nearly a decade;
- Consumer confidence at a near 18-year high, beating predictions;
- The unemployment rate for African-Americans and Hispanics has fallen to record lows; and
- Female unemployment is at a near two decade low.

President Trump said earlier this year at the World Economic Forum in Davos: *“Now is the perfect time to bring your business, your jobs and your investments to the United States this is especially true because we have undertaken the most extensive regulatory reduction ever conceived. Regulation is stealth taxation. The U.S., like many other countries, has unelected bureaucrats, and we have — believe me, we have them all over the place — and they've imposed crushing and anti-business and anti-worker regulations on our citizens with no vote, no legislative debate and no real accountability in America. Those days are over... We are freeing our businesses so they can thrive and flourish we are creating an environment that attracts capital, invites investment and rewards production. America is the place to do business, so come to America where you can innovate, create, and build.”*

President Trump, when addressing the National Republican Congressional Committee Dinner in March, also said: *“We've also ended the crushing onslaught of federal and other regulation. That's a big deal... some people consider what we've done on regulation as important and some even more important than the tremendous tax cuts because the regulations were killing our country. Together, we have set a record for cutting the red tape - passing a record number of bills to permanently remove job-killing regulations. All over the country, they're building now where they had no chance of getting going.”*

President Trump is backing up his words with actions. This is the kind of economic leadership we need here in Australia from our politicians and governments.

The US under his leadership, is showing everyone they want investment and all of the associated benefits that go with it of sustainable jobs, higher living standards, higher take home pay after tax and bringing people out of unemployment and self-esteem destroying welfare, to restoring their lives with employment.

Having lived in mainly Texas in America with my American husband during the 1980's, then in the early 1990's in Massachusetts, and enjoyed recent visits, it's exciting to see the excitement of many Americans about their country and its growing opportunities under its current leadership, making America great again.

Small business in particular are feeling very positive about the future and President Trump.

It's sometimes forgotten that all large businesses – be that Apple, Amazon or American Express – all start off small.

We all should know that one of the fundamental elements of a strong economy is a thriving small business sector, so it is very encouraging to see small business optimism at its highest point in more than 30 years according to the largest small business association in the US.

President Trump's reforms have also been good for wages. Small business employees saw their wages grow in April at the strongest rate in more than two years, large companies such as Home Depot and Verizon have given their staff bonuses and raises. Such raises and bonuses being more possible when taxes and the expensive burden of government are being reduced. The Council of Economic Advisers estimates that annual American household income will be boosted.

A double win for hard-working Americans and business!

Well, here is where I'd like to say, 'and your friends across in Australia are keenly watching the benefits less tax and less red tape bring, and are rapidly following suit, not with words and promises for the future, but action.'

I should then be able to sit down, with expressing huge thanks to President Trump for such leadership.

Very sadly for Australians and our future, no.

So, what has this fourth generation Australian done?

I started Australians for Northern Development and Economic Vision (ANDEV) some six plus years ago, with my friend Imants and like-minded Australians.

ANDEV has remarkably similar policies to President Trump, recommending cutting taxes and tape to encourage investment and growth.

We were delighted all three major parties agreed pre elections to introduce such policies federally.

I wrote a book, *Northern Australia and Then Some*, which preached such policies, and launched this and its second edition, around Australia, Brisbane, Sydney, Melbourne, Perth, Darwin, and others kindly launched elsewhere.

With federal government permission, I started national days for mining and more recently, agriculture and their related industries.

I've continued giving speeches around the country, and for years have been a regular feature writer for *Australian Resources and Investment*, and written a second book, *From Red Tape to Red Carpet*, borrowing famous words from another great leader I admire, for his slashing of red tape, and endeavours to raise the living standards of his people, Indian Prime Minister Modi.

Goodness, if Prime Minister Modi can slash red tape in his country at federal levels, with some states following through, after British and USSR big government big bureaucracy influence and notorious Indian government red tape, wouldn't you think it would be a relatively easy task to do in Australia!?

But no, there's talk, and in Prime Minister Abbott's time, tape was cut for charities and childcare, but tape really needs to be cut to help the economy, investment and hence living standards. Yes, those two words should be more often linked, investment and living standards, as raising living standards depends upon investment.

The Institute of Public Affairs (IPA) has done some good research on red tape, and found, that there was far less red tape in the anti-business Whitlam government times, than there is today, and that this certainly cannot only be blamed on the Labor Party.

Indeed, far from that.

Today, we have more red tape, and as a consequence, together with high taxation which supports big government, there is less investment pro rata, than under the Whitlam government, when investment dried to a trickle.

And yes, I've supported the IPA in their important work looking at the red tape problem, and reducing the huge costs of government in this country, and I wish more business leaders would follow suit, given the very real importance of this.

The latest Rich List, which is often described as the hate list, is out and there are many of these estimators these days, but it would be great to see more of those on such lists doing far more to support and try to progress both reducing tape and taxes.

Especially now that Prime Minister Modi and President Trump have lead the way, and the very beneficial results of such reductions are clear to see.

Unfortunately, Australians have governments that can use their increasing power to the detriment of those who speak out, be that via increasing tax audits, ASIC, withholding or delaying approvals, which can have huge consequences.

So huge thanks to those brave enough to speak out, to help our country and its future, and let's all remember, "countries get the government they deserve!"

Let us try to improve on this in Australia!

In case you think it does not matter to me, the consequences of speaking out in the interests of our country, we currently have more than seven billion dollars to repay for the mega Roy Hill project. This project needed more than 4000 approvals, permits and licences, pre-construction, plus more for construction. More are required to increase our capacity to 60 million tonnes per annum, important in this uncertain reduced iron ore price situation, especially with such huge debt obligations.

And after paying top dollar to ensure the iconic Fossil Downs station in WA stays in Australian hands, a station which two huge rivers run through, but without reliable access to that water, only about one third of the station can be used, cattle must have water, yes, we and others in the Kimberley's need access to such water.

The Fitzroy River for instance, has only very few water licenses, so more than 99 percent of the Fitzroy flows uselessly to the sea. That's equivalent for an average year, filling the huge Sydney Harbour 14 times.

Why do we really need to have further restrictions on environmental grounds? With even a few more percent of that water able to be accessed, we could grow crops, and reliably allow more water to be available to grow head herds, creating more jobs and revenue for the debt-ridden state of WA.

And if you think, Australia already has a huge cattle industry, does it? Look at Brazil, a similar sized country, yet it has approximately ten times the head of cattle we have.

Look at Queensland, a much smaller state than West Australia, you'd expect west Australia would have far more cattle, wouldn't you. No, Queensland has more than 10 million head of cattle and West Australia, approximately 2 million head.

Cattle need assured water to survive.

Our company still invests in Australia, and has made huge investments in Kidman to bring it up to our Hancock properties levels, which I've already spoken about in other forums, including investing in technology such as digitalised UHF communications systems, solar pumps, improved weaner cradles and more, all to help management and safety and cattle.

But like many other companies with Australia's high government costs and burdens of red tape, our Australian company has been forced to also look overseas for its investment, and future business ventures.

One of these I thought might have some interest to AmCham, with both America's and Australia's huge agricultural industries, and consequent need for fertiliser, and that is our move towards Sirius Minerals.

In 2016, Hancock Prospecting committed to making its first major overseas investment in Britain.

Sirius Minerals is developing the world's largest deposit of polyhalite, a rare mineral containing four (potassium, sulphur, magnesium and calcium) of the six macro-nutrients used in multi-nutrient plant fertilizers.

Located in North Yorkshire, this project will involve constructing a new mine, building a 37km underground conveyor system, developing a granulation facility and upgrading port facilities. Its initial production capacity is 10 million tonnes per annum, with the potential to reach 20Mtpa through subsequent phases of development.

This project will deliver a new and natural product, which fits with Hancock's long-term investment in agriculture and will provide a product of value to many Australian farmers. Some of its produce will also be available for international markets.

As I'm in South Australia, may I ask, wasn't Sir Sidney an outstanding example of an Australian entrepreneur?

Sir Sidney at age 13 with little education, left his home near Adelaide with only a few shillings in his pocket, the clothes on his back—a thin rug rolled up with a rope and his one-eyed horse Cyclopes who he bought himself.

From there, he worked on and bought his first station, just before the turn of the century, and built up the largest pastoral empire in Australia and the world.

My grandfather, James Nicholas, was a friend and business partner with Sir Sidney Kidman and they held some stations together.

James Nicholas brought to then young Sidney Kidman's attention that he'd heard some men were finding minerals out in country areas, and told his young friend, that meant they'd need supplies, mail, coaches and horses to pull.

My grandfather said he didn't have enough horses and would need more. They collaborated on establishing and rapidly expanding an extensive passenger, mail and supplies coach business that serviced outback areas, across Australia such as Broken Hill, Wentworth, Booligal, Milparinka, and Innamincka.

As my grandfather said in The Sunday Times in 1925: *"My old coaching partner, Sid Kidman, now Sir Sidney... he is a good sort."*

We plan to build on the historic legacy of my great grandfather, my grandfathers and Sir Sidney Kidman by building our Hancock and S. Kidman & Co properties into one of the world's top agribusiness by driving exports of improved Kidman beef and investing in, and after approvals, implementing practical technology, and industry-leading practices.

At Kidman, we are not taking any profits from the business. Rather, we are investing all of our profits from last year and this year into producing happier and healthier cattle, better conditions for station staff and station management, and technological advancements.

For instance, we are also trailing drones on our properties to monitor factors such as cattle movements, dam levels and fences for example. Drones have been used very successfully in the mining industry and we are adapting the usage of them across to agriculture.

With the recent change in government, South Australia has a timely opportunity to build its agriculture and compete strongly with Australia's other leading agricultural states.

Unfortunately, one factor holding us and many other agribusinesses back from further investing in our businesses, are expensive, time-delaying, onerous and duplicated government regulations.

In South Australia, two areas of regulation – water and transportation – are hampering agribusiness from growing and operating more productively.

As we should know, access to water is an animal welfare issue yet, unfortunately, governments still make it difficult and costly to obtain water licences and approvals to build and develop new water points.

Additional water points across stations stop cattle having to walk long distances in the heat between existing watering points, and is a means of better utilizing our properties.

For example, even building a dam on your station requires multiple approvals. We're not talking dams the size of football fields but dams, in some cases, with similar circumference as your tables, need onerous and multiple approvals in order to be built.

At Innamincka Station, our Kidman & Co property in the north-east of South Australia, it took us 10 months, or approximately 300 days to get approval from Adelaide bureaucrats to install a single bore.

Just to install a simple bore, you must achieve multiple layers of approvals from the government that may include cultural, national park, native vegetation and other aspects.

Now, Innamincka is not a new station – it dates back to the 1860s and it has been held by Kidman for more than 100 years. It is also designated as a regional reserve resulting in extra regulation and needing to complete annual pastoral paperwork. So, the government departments already should know a significant amount about Innamincka, they receive regular reports. Yet, we are still required to go through slow, duplicated and costly regulations to do things that are in the animals and the stations interests.

Furthermore, on some key outback routes in South Australia, cattle producers are still only allowed to haul up to two trailers between stations and to meatworks, not the three trailers permitted on outback roads in the Northern Territory, West Australia and Queensland. This restriction results in extra and unnecessary costs per head of cattle.

Only recently have trucks pulling three trailers (each trailer carrying approximately 40 head of cattle) been able to travel along certain roads in South Australia.

Trucks pulling three trailers from Queensland into South Australia can only get as far as Port Augusta, approximately 300km to the north of Adelaide, before having to be broken up because of South Australian regulations.

The breaking up of road trains often involves a layover somewhere where cattle need to be herded off trucks into yards and then re-loaded back onto trucks. This off-loading and re-loading is stressful for cattle, especially in the heat.

In addition, we are not allowed to drive our trucks pulling three trailers anywhere near the town of Dublin, which is around 70km north of Adelaide, even though it is South Australia's main livestock selling centre. These trucks have to be broken up.

Hauling three trailers allows for more livestock to be transported in a more efficient manner, reducing the number of trucks on the road and reducing truck journeys by a third.

Finally, South Australia also has further opportunities to attract investment in agriculture if it does not enact damaging policy such as what has sadly happened in Queensland recently.

The introduction of complex and costly vegetation management legislation will hamper Queensland's ability to produce sustainable food, and grain for our growing population. This legislation, which unfairly restricts how land can be managed in the most ideal way for the environment, and livestock, will have impacts well beyond the farm.

Northern Australia Minister Matt Canavan, who is in the audience tonight, is right when he says *"like foresters and fishermen before them, farmers are now being demonised by some environmental activists – no longer portrayed as caring custodians of the land but rather as greedy wreckers of the environment."*

There is a simple principle that this legislation disregards: pastoralists and farmers know their land, and how best to care for it.

Even better than bureaucrats sitting in town offices far away! The farmer's very livelihoods depend on it!

Much farming and pastoral land is passed down through generation to generation so those on it have a strong incentive to look after it, and it's that generations of first-hand, practical and sensible land management knowledge that enables the pastoralists and farmers to know how best to treat and use their land.

With drought, floods, fires, isolation, distance from city amenities, and difficulty in attracting and retaining staff, pastoralists and farmers already have enough to deal with. Many are small or family businesses without administrative head offices in capital cities. They do not need further onerous city red tape about when and how they can use and care for their land.

Queensland is Australia's number one agriculture producing state but with these laws, it leaves a huge opportunity for South Australia.

If Queensland and West Australia continue down their current paths of burdening the agricultural industry, and South Australia heads down a path of red tape repeal, and lowering those taxes and licence fees within its control, South Australia could see investment flow to it, and, an exciting future.

And no need to take my word for it, I'll leave on screen, what's happening in the USA, with tape and tax cuts!

Thank you.