

Hancock Kidman

Making us the best Cattle Company

National Agriculture and Related Industries Day

National Agriculture and Related Industries Day will be held again this year on Wednesday 21 November 2018. To all pastoral properties and employees you should start thinking of how we can all start celebrating this important day.



Wed, 21 November 2018
 Sydney CBD
**Reserve your tables or seats
 now for the annual gala dinner
 (Akubras and boots welcome!)**
agday@hancockprospecting.com.au



Santa Gertrudis and Coolibah Composite bulls in forage oats on Rockybank Station

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Santa Gertrudis cattle at S. Kidman & Co Pty Ltd Naryilco Station, Qld

Message from Your Chairman



Dear team members

I hope you are all doing well and I appreciate the wonderful efforts and commitment that you are making including through the drought – rain is, together with you all, the key to life on stations and farmstoo.

We should see a moratorium on all government fees and charges for at least two years to allow people to recover on the land.

Of course this is not the first time I have called for red tape and taxes to be reduced, for instance I refer to this in my speech to AmCham in the newsletter, and why this has been so successful in the USA, as making people more able to get on with business and get out of debt, is much better than loans which push people further into debt, with interest and time consuming reporting obligations.

This year on the 21st of November we will celebrate for the second time, National Agriculture and Related Industries Day, which I received permission from the Federal Government to start last year, – this year the Gala Dinner will be in Sydney CBD – we’ve chartered a boat to float SYDNEY Harbour, and Kidman and Hancock staff are helping to arrange donated auction items, which can be bid on whether attending the dinner or not, with proceeds for drought victims.

We are looking forward to the publication of the “Things we love”, stories and recipe book, I have been so pleased to read the stories that have been sent in telling why you want to be and love to be graziers or farmers on the land – the recipes look really great too. Station Cooks as we all know, being so important to station life. I’ve added a short Christmas section too, from our Langsvie Farm. Hope you’d like to try the stuffing, tis rather good! And the traditional desserts, fantastic!

Welcome to all of our new staff, I look forward to seeing some of you a bit later this year hopefully on my Christmas carols tour. If you have a Christmas carol, modified for station life, please send me soon, so we can get this tour organised.

All best,

Your chairman.

Gina Rinehart.

Message from your Chairman

“Rain from Nowhere”

Poem by Murray Hartin

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His cattle didn't get a bid, they were fairly bloody poor,
What was he going to do? He couldn't feed them anymore,
The dams were all but dry, hay was thirteen bucks a bale,
Last month's talk of rain was just a fairytale,
His credit had run out, no chance to pay what's owed,
Bad thoughts ran through his head as he drove down Gully Road.

“Geez, great grandad bought the place back in 1898,
“Now I'm such a useless bastard, I'll have to shut the gate.

“Can't support my wife and kids, not like dad and those before,

“Crikey, Grandma kept it going while Pop fought in the war.”

With depression now his master, he abandoned what was right,

There's no place in life for failures, he'd end it all tonight.

There were still some things to do, he'd have to shoot the cattle first,

Of all the jobs he'd ever done, that would be the worst.
He'd have a shower, watch the news, then they'd all sit down for tea

Read his kids a bedtime story, watch some more TV,
Kiss his wife goodnight, say he was off to shoot some roos
Then in a paddock far away he'd blow away the blues.

But he drove in the gate and stopped – as he always had
To check the roadside mailbox – and found a letter from his Dad.

Now his dad was not a writer, Mum did all the cards and mail

But he knew the writing from the notebooks that he'd kept from cattle sales,

He sensed the nature of its contents, felt moisture in his eyes,

Just the fact his dad had written was enough to make him cry.

“Son, I know it's bloody tough, it's a cruel and twisted game,
“This life upon the land when you're screaming out for rain,

“There's no candle in the darkness, not a single speck of light

“But don't let the demon get you, you have to do what's right,

“I don't know what's in your head but push the bad thoughts well away

“See, you'll always have your family at the back end of the day

“You have to talk to someone, and yes I know I rarely did



“But you have to think about Fiona and think about the kids.

“I'm worried about you son, you haven't rung for quite a while,

“I know the road you're on 'cause I've walked every bloody mile.

“The date? December 7 back in 1983,

“Behind the shed I had the shotgun rested in the brigalow tree.

“See, I'd borrowed way too much to buy the Johnson place
“Then it didn't rain for years and we got bombed by interest rates,

“The bank was at the door, I didn't think I had a choice,
“I began to squeeze the trigger – that's when I heard your voice.

“You said ‘Where are you Daddy? It's time to play our game’
“ ‘I've got Squatter all set up, we might get General Rain.’

“It really was that close, you're the one that stopped me son,

“And you're the one that taught me there's no answer in a gun.

“Just remember people love you, good friends won't let you down.

“Look, you might have to swallow pride and take that job in town,

“Just 'til things come good, son, you've always got a choice
“And when you get this letter ring me, 'cause I'd love to hear your voice.”

Well he cried and laughed and shook his head then put the truck in gear,
Shut his eyes and hugged his dad in a vision that was clear,

Dropped the cattle at the yards, put the truck away
Filled the troughs the best he could and fed his last ten bales of hay.

Then he strode towards the homestead, shoulders back and head held high,

He still knew the road was tough but there was purpose in his eye.

He called his wife and children, who'd lived through all his pain,

Hugs said more than words – he'd come back to them again,
They talked of silver linings, how good times always follow bad,

Then he walked towards the phone, picked it up and rang his Dad.

And while the kids set up the Squatter, he hugged his wife again,

Then they heard the roll of thunder and they smelt the smell of rain.

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?

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.

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.

AmCham 50th Anniversary Gala Dinner

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!

AmCham 50th Anniversary Gala Dinner

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 led 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.

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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 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.

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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.

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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 with-out 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.

Message from Your CEO



Hello all

Welcome to the next edition of our Newsletter.

I would like to start by giving my thanks and praise to you all for the application and great team work you have applied in helping each other through what is one of the toughest times of recent history.

Recently I saw Station Managers contacting each other outside the framework of Head Office and offering each other gear and assistance. I am proud to be part of such a team.

We continue to hold our own in these tough times and the value of every cent of the Chairman's investments is being worked overtime. We are so lucky to have this.

Our beef branding is going well with Kidman killing 300 a week from end of September. Our flagship Santa is being fed 150 days and is grading within the top 3% of cattle in the country.

Hancock has a management contract with Kimberly Meat Company which will see 20,000 head per year processed in the north. We will continue to grow facilities at Liveringa to feed this. We will have in the near future, from what I understand is a first, being an accredited Feedlot able to produce accredited grain fed cattle in the north of Australia.

It is our plan to feed some of the wonderful Droughtmasters ex Fossil Downs and the Brangus ex Liveringa and Nerrima.

We have plans to expand our capability to see live export cattle head towards Phoenix Park and Darwin as an exit.

The Wagyu brand 2GR continues its growth and is in many fine dining establishments in Australia. It is featured in three Nobu restaurants across the world.

The Wagyu industry is going through very challenging times with a lot of sub quality F1 product being dumped. To protect our brand we are feeding longer and getting extremely consistent and good results.

We have a new addition to our growing business and it is my pleasure to congratulate Mrs Rinehart on her acquisition of Sundown Valley Pastoral and Gunnee Feedlot. These are outstanding properties and are part of the growing Wagyu family.

I look forward to seeing you all and sharing with you our recipe and story book.

CEO, David Larkin AM GAICD AssDipASci

Capex / Opex upgrades

The \$70M Capex program continues across all of Hancock Agriculture, implementing the Board objectives of Safety, Animal Welfare and Productivity.

Solar power has replaced many windmills and some diesel pumps. Solar hot water services are replacing electric units. Solar power generation is being investigated for homestead complexes to reduce diesel consumption. A power logger is in use at Fossil Downs to obtain an accurate assessment of power usage.

The \$4.3M water development at Helen Springs and Brunchilly includes 49 tanks, 101 troughs and 272km of pipelines. This will increase carrying capacity and reduce the distance between waters to improve animal welfare.

Living quarters have been assessed for Asbestos. Management plans have been implemented to safely remove hazardous Asbestos containing materials.

The Ruby Plains Kitchen is now on site and should be completed by October. A range of transportable accommodation buildings have been delivered to Aroona, Durrie, Forest Vale, Helen Springs, Innamincka, Inverway, Maydan, Mulga Downs, Naryilco, Ruby Plains and Willeroo.

Fossil Downs trials of walk over weighing and tank level sensors are under way with promising results, leveraging the investment in the Digital UHF system.

Terry Omond, Strategic Operations Manager



Trailers for Brunchilly



Accommodation unit at Innamincka ready for roof cover



Kitchen at Ruby Plains ready for assembly

General Manager Updates

*Paul Quigley, Pastoral
Operations Manager*

The drought throughout Queensland and South Australia has not eased and some cattle are now feeling the effects of this prolonged dry period.

Surface water is drying back on most properties with the result of loading up bores and reducing the grazing area for all livestock. Feed is dry and getting shorter by the day and the nutritional value of what feed is available is low. Lick and blocks are being fed out where dry feed is available to achieve better utilisation. Feed in holding paddocks is non-existent and hay is almost impossible to buy with the price at record highs. This has resulted in sale or transfer cattle being drafted and moved as quickly as possible.

The cattle on Durham Downs and Naryilco are starting to slip in condition and weaners are being removed from lactating females to maintain body condition. Feeder steers are being sold off these properties and weaners are being transferred to Durrie to lighten the numbers.

Innamincka, Glengyle and Macumba are holding their own at the moment with the cattle on these properties in reasonable order. We are pulling weaners off all females but these properties are retaining them on farm.

Durrie and Morney are the best of the Channel country after receiving a good flood in the

Diamantina. The steers that have come off the flood plains have performed very well and are either going to slaughter or sold to Hancock Beef and put into feedlots to be finished.

All females are being pregnancy tested with empty cows sold and pregnant females being segregated into their calving groups. Bulls have been selected from Rockybank for the upcoming joining period and have settled in well.

Most properties finished their first round by the end of June and are currently working on maintenance. Now that the budget has been approved capex programs will commence. The big capital items approved are water related so we will see some instant benefit from this once pipelines tanks and troughs are installed and cattle can be spread out onto areas that are currently carrying feed but no water.

These are tough times and it is a credit to the Managers and staff that they have been able to get through to this point of the season and continue to carry the stock numbers that they have.

Our cattle have also performed well with pregnancy test results holding up which is a testament to the genetics and selection applied over the previous years.

*Chris Fenwicke - General
Manager Feedlots & Wagyu
Operations*

In the east the drought continues, with all stations recording significantly lower than average rainfall for the Year to Date. Caigen, Boogadah and Glencoe; our properties in central New South Wales are in the worst dry spell for 116 years! All properties have all young stock on agistment in order to conserve feed for breeding cows.

The Managers and their staff at all the stations need to be recognised and commended on their dedication to their livestock, the business and other stations during this trying period. It is encouraging to see machinery being shared between stations as well as forage reserves.

Although central NSW is in dire need of rain, the South Burnett and Roma aggregations have also recorded significantly lower rainfall than the average for the year to date. In Queensland significant investment in irrigation infrastructure at the South Burnett and large plantings of oats for forage have delayed the onset of hand feeding.

The acquisition of "Sundown" and "Gunnee" will aid in reducing the need to decrease numbers in the short run, whilst allowing Pastoral properties to increase its breeding herds of Full Blood and Pure Bred Wagyu in the long run. The importance of these two assets as keystones in the Wagyu production program cannot be overstated.

General Manager Updates

Chris Fenwicke - General Manager Feedlots & Wagyu Operations (Cont.)

The first of the Bulls for the infusion program are expected to depart Mendooran in September destined for the Northern stations.

Due to the dry conditions a winter crop has not been grown at Maydan, this would normally be used as hay for the feedlot. In its absence the feedlot has had to revert to silage and offsite roughage for the rations. A side effect of the drought has been the continued operation at capacity of the feedlot, even with significantly higher input costs (grain). Chris Rickert has reported that he is being constantly asked for more space for cattle as the drought continues.

Maydan continues to specialise in Wagyu feeding programs, including our marque "2GR Wagyu". Tungali has commenced feeding cattle for a branded product called Kidman Gold. This will complement the Kidman Portrait and Santa Gertrudis brands already on feed. More water has been secured from the SA Water pipeline that will enable the feedlot to expand to 10,000 head if required. Both feedlots have been reviewing nutritional programs that will enable them to produce an ionophore free product.

George Scott - General Manager Agricultural Operations

The Hancock Agricultural Operations in NT & WA have all completed their first round of mustering during July and August.

Reproduction rates are of vital importance to us as a business and our results across the business vary widely. Some recent highlights worthy of mention are: Ruby Plains 96% PTIC in a paddock of carryover cows, and 83% weaning in Joiners, and a paddock of cows that weaned at 95%; other good results were at Brunchilly where a paddock of first calf heifers re-conceived at 94% and the joiners were 95% PTIC. These results, although not consistent anywhere are good indicators as to what can be achieved when we get it right.

Reproduction rates are a function of Genetics, Nutrition, and Management, and in our challenging environment we need to have them all in balance commercially to attain the best possible results.

To that end we have had several employees attend Nutrition Edge Workshops over the past month and we will be using an external consultant in the coming months to get more science, coordination and consistency into our supplementation programs.

The run of social events has progressed from East to West, with most stations enjoying some Rodeo and Campdraft events over the past months.

We are well and truly in the grip of the Northern 'dry' now and winds are picking up and protein levels dropping away fast.

Season is most difficult at Helen Springs, with Aroona, Inverway, Riveren and Brunchilly also challenged in some areas.

Days are getting longer and hotter, which does require increased vigilance from all to ensure that fatigue and dehydration do not result in adverse health and safety outcomes.

Health and Wellbeing - September is Mental Health Month

Mental Health

The cost of mental illness to Australian's is reported as 2.7 million work days lost each year and the National mental health commission states the cost of mental ill-health in Australia each year is around \$4000 for every tax payer and it costs the nation more than \$60 billion.

Good mental health is about being able to work and study to your full potential, cope with day-to-day life stresses, be involved in your community, and live your life in a free and satisfying way. A person who has good mental health has good emotional and social wellbeing and the capacity to cope with change and challenges.

Work-related Mental Stress falls into the highest percentage for reasons Australian's suffer with Mental Illness/Disorders. Some common hazards and factors:

- High job demands - long work-hour, high workloads.
- Low job demands - too little to do, or highly repetitive or monotonous tasks.
- Low job control - work is tightly managed, workers have little say in the way they do their work.
- Poor support - emotional support or tools, equipment and resources to do the job.
- Poor workplace relationships - bullying, aggression, harassment or discrimination.
- Low reward and recognition.
- Poor environmental conditions.
- Remote and isolated work.

R U OK? Day - Thursday 13 September is the national day is dedicated to reminding everyone that any day is the day to ask "are you ok?" and support those struggling with life.

R U OK?'s Four Steps to help you have a conversation that could change a life:

1. Ask
2. Listen
3. Encourage action
4. Check in

Have a conversation! If a Team Member confides that they may need additional support, it is important to respond and make them feel comfortable.

You can then potentially offer them the below:

- Details of the employee assistance program (EAP)(see below) or a list of support resources.
- Redesign aspects of the job that can cause work-related stress or psychological harm.
- Examine suitable alternative duties or reasonable modifications or supports if the Team Member is experiencing personal difficulties.

Where can I get Help? There are many different avenues you can go to get help:

- The company Employee Assistance Program by calling BSS Employee Assistance on 1800 30 30 90.
- The company offers 6x free counselling sessions via over the phone conversation available to all family members living under the same roof.
- Have a conversation with your Doctor.
- Talk to your Manager or General Manager.
- Contact Human Resources 08 8334 7100.

Other options:

- Lifeline Australia 13 11 14
- Beyondblue 1300 224 636
- Men's Line Australia 1300 789 978
- Suicide call back service 1300 659 467



The important step is to talk to someone and seek support.

Station News

Brunchilly Station

S. Kidman & Co Pty Ltd Brunchilly Station staff entered a number of sections at the Tennant Creek Show in the Cattle section.

They won the Cattle Sections Highest Aggregate Points 2018 as well as the following placements.

- 1st - Pen of 2 Bulls (2016 Season)
- 1st - Pen of 2 Heifers 350 – 450Kg
- 2nd - Single Local Bull (Older than 2016 Season)
- 2nd - Pen of 2 Heifers 350 – 450Kg
- 2nd - Pen of 2 Mickeys 180 – 250Kg
- 3rd - Pen of 2 Heifers 250 -350Kg

Congratulations to everyone who participated!



Brunchilly staff at the Beef Dinner
Back L-R: Peter Raleigh, Emma Raleigh, Belinda Milsom, Ryan Jepson, Nicole Wych, Annabel Milling, Ben Hall, Abbie Bright, Charles Simpson, Jacob Leak.
Middle L-R: Ross Bambry, Rhys Purkis, Sean Coutts, Will Louttit & Jarryd Cook
Front Row laying down L-R: Sam Cannington, Darcy McKenzie

Phoenix Park Feedlot

Phoenix Park Feedlot maize crop has great potential as we have seen in our first attempt to grow corn under irrigation. 160 hectares was planted late May early June with a better result than expected. Incorporating two fertigation trailers that enable injection of liquid fertiliser into pivot centres has been beneficial to corn growth, as it has a very high nutritional demand. The crop will be cut for silage early September to supply cattle yards with high energy fodder. We look forward to our next crop of corn. There have been some issues that need to change but we believe corn will be a highly productive crop to grow under irrigation in the Northern Territory.

Hugh Muntz, Phoenix Park Farm Manager



Hugh Muntz and Hancock Agriculture Executive Human Resources Manager Alison Adie



Drone Training Courses

As part of Hancock Agriculture’s strategy to harness technology across the portfolio, late June and early August has seen senior staff members’ complete drone-training courses at Morney Plains and Durham Downs. Managers, head stockmen, leading hands and pilots completed a five-day training course, which included extensive theory training followed by practical flight training and a flight test. Upon completing this training, staff members attained a drone licence to operate fixed wing (<7kg) and multirotor drones (<25kg). Western Australian and Northern Territory staff will also be participating in a similar course in the coming months.

This training will allow Hancock Agriculture to be a leader in this sector enabling staff to operate drones on stations to conduct tasks such as aerial inspection of infrastructure and water points, roads, fires and other areas of interest.

Hancock Agriculture continues to assess the application of new technology in this space as it develops, and continues to strive for a rollout of beyond visual line of sight (BVLOS) operations with further drone trials scheduled for the coming months. Recent developments in the sector include pasture monitoring and budgeting capabilities, autonomous fence line inspections and animal counting capabilities.

We look forward to the further training of staff and implementation of this technology to increase safety, efficiency and productivity across Hancock Agriculture’s portfolio.

Alex Michell, Aviation Manager/Chief Pilot



Training at Durham Downs Station

L-R: Bebe Manns (Glengyle), Dean Hurley (Durham Downs), Stewart Morton (Woomanooka), Liam Outram (AviAssist), Nathan Keogh (Innamincka), Darren Lorenz (Durrie), Jon Cobb (Durham Downs)



Amber Wortley, (Durrie)



Above: Glenn King (Durham Downs)

Centre: Jon Cobb (Durham Downs)

Right: Stewart Morton (Woomanooka)



Future Important Dates

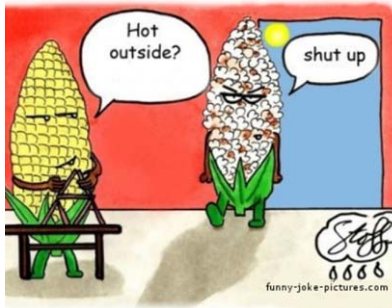
National Agriculture and
Related Industries Day

Wednesday 21 November 2018



sponsored by HANCOCK PROSPECTING PTY LTD

SAVE THE DATE



Staff Achievements

Tegan Hall is employed at Innamincka Station as a Station Hand. Tegan graduated from Midwest Equine Dental Academy in Michigan with a **Diploma in Equine Dentistry** in May 2018.

Tegan is now a qualified Equine Dental Practitioner.

Tegan has a passion for horses and in the future hopes to treat isolated horses that don't have regular access to a Vet or Equine Dentist.

We congratulate Tegan on her Diploma! Well done!



Tegan working on one of Glengyle Station horses

Hancock Agriculture

Our HR team are excited to share our Hancock Agriculture 2019 recruitment ad which will run in the October/ November edition of the RM Williams Outback Magazine

A recruitment advertisement for Hancock Agriculture. The top half features the text "Career Meets Lifestyle" over a background image of a person riding a horse through a dusty field. The bottom half contains the following text:

2019 EMPLOYMENT OPPORTUNITIES | **Hancock Agriculture**
Incorporating S. Kidman & Co Pty Ltd

Email Resume: hr@hancockagriculture.com.au
Enquiries: (08) 8334 7100

POSITIONS AVAILABLE:

- Bore Runners/ Mechanics
- Cooks
- Feedlot Hands
- Leading Hands
- Head Stockpersons
- Home Tutors
- Homestead Maintenance
- Machinery Operators
- Mechanics
- Pilots (Fixed Wing & Rotary)
- Station Hands

If you wish to submit editorial content or social scene events please email the Editor Janet on admin@kidman.com.au.

Hancock Agriculture

Hancock Prospecting Pty Ltd
Level 3, HPPL House
28-42 Ventnor Avenue
West Perth WA 5006
Phone: (08) 9429 8222

S. Kidman & Co Pty Ltd
183 Archer Street
North Adelaide SA 5006
Phone: (08) 8334 7100

