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[Media Release](#)

Approval of S. Kidman & Co. Limited sale to increase Australian ownership

Today I have approved a proposal for the sale of S. Kidman & Co. Limited (**Kidman**) that will increase the level of Australian ownership of the Kidman group of properties.

Under the proposal the largest station in the Kidman group, Anna Creek and its outstation The Peake, will be acquired by the Williams Family, a local farming family with properties that adjoin Anna Creek.

The remainder of the S. Kidman and Co. Limited business will be acquired by Australian Outback Beef Pty Ltd (**Outback Beef**). Outback Beef is majority owned 67 per cent by Hancock Beef Pty Ltd (**Hancock**), with a minority interest of 33 per cent held by Shanghai CRED Real Estate Stock Co. Ltd (**Shanghai CRED**).

Under the proposal Australian-owned Hancock will control the Board, and will control day-to-day operation of the business. Kidman will remain majority Australian owned under this proposal, and remain an Australian incorporated company headquartered in South Australia. Existing environmental and other commitments will continue to be honoured.

Outback Beef has made a commitment of significant investments into the Kidman business. Outback Beef will increase herd size by 20,000 head of cattle over the next 18 months. Outback Beef has indicated it will invest up to \$19 million in capital improvements to increase efficiency and carrying capacity. Importantly this investment will also achieve the creation of 35 new full-time permanent jobs by June 2018 while also employing many more new contractors and short terms specialists. This increased employment will be met by engaging local populations as far as possible, including Indigenous employees.

Currently Kidman is 33.9 per cent foreign owned. With the sale of Anna Creek and The Peake, the proposal I am approving today represents a significant increase in overall Australian ownership from 66.1 per cent to 74.7 per cent.

Consistent with the recommendation from the Foreign Investment Review Board (**FIRB**), I have decided that the acquisition of Kidman as proposed would not be contrary to the national interest and will be permitted to proceed as proposed.

The proposal will be subject to standard taxation conditions. Any future changes in ownership, including any increase in interest by Shanghai CRED, will require subsequent FIRB and Treasurer approval.

The sale process has been extensive and heavily scrutinised, and afforded ample opportunity for Australian bidders to participate. Over the process as a whole, Kidman has spoken with over 600 potential bidders, and over 30 bids were received.

Kidman is Australia's largest private land owner and holds approximately 1.3 per cent of Australia's total land area, and 2.5 per cent of Australia's agricultural land. Of this, 99.8 per cent of Kidman land is held under leasehold arrangements. It has 10 cattle stations, including properties across regional South Australia, Western Australia, the Northern Territory and Queensland covering 101,411 square kilometres and managing a long-term average herd of 185,000 cattle. This is a significantly larger than the next biggest rural landholding in the country.

Previous security concerns that influenced my earlier rejections of sale proposals have been mitigated by excision of Anna Creek, the largest single property holding in Australia part of which is located in the Woomera Prohibited Area (WPA) in South Australia, from the proposed sale to Outback Beef.

Australia welcomes foreign investment where it is consistent with our national interests.

Foreign investment has underpinned the development of our nation and we must continue to attract the strong inflows of foreign capital that our economy requires. Without it, Australia's output, employment and standard of living would all be lower.

Foreign investment rules facilitate such investment while giving assurance to the community that the investment is being made in a way which ensures that Australia's national interest is protected.

Under the Foreign Acquisitions and Takeovers Act 1975, all foreign investment applications are examined against Australia's national interest. This test comprises a range of factors including: the impact of the proposal on the Australian economy and community; national security; consistency with other government policies including tax; competition; and the character of the investor.

We will continue to welcome and support foreign investment that is not contrary to our national interest.

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