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HANCOCK

GINA RINEHART ON CONTINUING HER FATHER'S FORMIDABLE LEGACY

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Great expectations

BY CHRIS THURMOTT

Lang Hancock, the man responsible for discovering the Pilbara's enormous iron ore deposits, undoubtedly left an extraordinary legacy. Without him, the Australian mining scene would look immeasurably different to how it does today, not least for what he found in the ground but also the impact he had on his daughter, Gina Rinehart.

As most involved with mining would know, the story goes that Mr Hancock was flying over the Pilbara ranges when bad weather forced the aircraft to fly at a lower altitude. It was here he spotted what turned out to be the largest discovery of iron ore in Australia's history.

With the weight of this discovery on his shoulders, Mr Hancock's achievements in the mining industry were irrefutably impressive. This made the weight of expectation passed onto his daughter much bigger and daunting.

For some, this would have been too much. But Mrs Rinehart didn't just inherit her father's empire, she also possesses his steely determination to succeed.

"I was very fortunate to know my father," Mrs Rinehart told *National Mining Chronicle*.

"He was strict but kind, practical, had common sense and had no sense of 'the government owes me a living'. Nor was he ever jealous of what others created.

"People today would probably think of him as 'dictatorial', but he was brought up in the bush, where decisions had to be made, and he liked to get things done, not sit around in committees delaying decisions."

It was this no-nonsense, 'must get things done' attitude that Mrs Rinehart said had one of the biggest impacts on her and the way she took on challenges during her formative years.

"He loved his country and was willing to make himself unpopular in some quarters by speaking out in our country's interests. This influenced me to feel a huge sense of duty and responsibility for our family company and to value hard work and perseverance," she said.

"These influences no doubt have helped me to have persistence and perhaps some of his qualities enable me to succeed."

Lang's lasting legacy

Stepping out of the shadow of her father was always going to be a challenge, but it is one Mrs Rinehart has relished, with further advancements in the mining industry unfolding as a result.

Australian geologist and Emeritus Professor Ian Plimer said the impact the Hancock-Rinehart family has had on the mining industry in Australia was hugely positive, with Mr Hancock's accomplishments changing the shape of mining.

"It was Lang Hancock back in November 1952 who was the first person to discover the Pilbara's vast iron ore deposits, when the government had claimed Australia would be importing iron ore by 1965," he said. "Lang Hancock's discoveries changed this.

"There has been a progression of more than 10 major iron ore mines thanks to the original Hancock discoveries."

Although Roy Hill wasn't a direct result of Mr Hancock's

original discoveries, it is Australia's largest single iron ore mine and only came to fruition through the determination of Mrs Rinehart, despite numerous setbacks and obstacles, as Professor Plimer explained.

"Gina Rinehart has been responsible for driving the Hope Downs project from temporary tenements to three major mines with a fourth being built, in conjunction with Rio Tinto," he said.

"Mrs Rinehart applied for and acquired the Roy Hill tenements after her father's passing in the early 1990s and after BHP dropped them, not having located the better ore deposits and believing the area to be of little value.

"Notably, all professional advice at the time insisted the tenements were of little value, and/or too difficult for Hancock Prospecting Proprietary Limited, urging Gina Rinehart to abandon the tenements.

"To her credit, she forged ahead with her plan to build, own and operate a mega iron ore mine in one of the world's premier iron ore provinces, the Pilbara, creating jobs both directly and indirectly for thousands of people, and revenue for Australia."

A continuation of the journey her father started decades earlier, making Roy Hill a mine was a landmark moment in Mrs Rinehart's life.

"My proudest moment was sailing out on the MV Anangel Explorer for Roy Hill's historic first shipment in December 2015," Mrs Rinehart said. "It had been a huge high-risk process to invest and bring the temporary tenements (tenements not wanted by other mining companies after BHP had dropped them) to fruition.

Growing up tough

The mining industry has always played a massive role in Mrs Rinehart's life, going right back to her childhood where she grew up on two stations in north-west Western Australia, one of which was near Rio Tinto's Tom Price mine which opened when she was 12.

Mrs Rinehart said visiting the new mining town was an incredible experience as it brought with it a completely new lifestyle for the Pilbara.

"I can still recall my mother being very delighted to see the new town had an air-conditioned shopping mall, providing many items previously unavailable in the remote north-west, including ice cream, chemist and a hairdresser," she said.

"The mining industry brought dentists and doctors to the remote Pilbara, as well as schools, police and fire stations, post offices, sporting facilities, airports and hospitals - all paid for by the mining company."

Prior to the arrival of new amenities, life was very different, with mail only being delivered every two weeks and the nearest telephone located in the scorching hot Marble Bar, a small bumpy plane ride away.

Aside from easier access to the new facilities, life on the stations remained much the same for Mrs Rinehart.

This life consisted of only having generator supplied power for about four hours each day, kerosene fridges, wood stoves which would turn the kitchen into a furnace when alight, and finding any means necessary to cool down.

"A spinifex cool house which had a pipe that dripped water through the spinifex provided a cooling effect and welcome relief from the hottest part of the day," Mrs Rinehart said.

Mrs Rinehart said she looked back fondly on her childhood and recognised the immeasurable difference the mining industry had on the region.

"The stations provided a great life loved by station kids, including me," she said. "For our mothers, however, the influx of the investment providing such town facilities was a godsend."

◀ Gina with her father Lang Hancock.

It was this no-nonsense, 'get things done' attitude that had one of the biggest impacts on Mrs Rinehart during the formative years.

"Most tenements never become operating, revenue-earning mines, let alone mega projects like Roy Hill, which, after exploration, studies, hard work and difficulties, including more than 4000 government approvals, permits and licences, required the largest debt financing for a mainly greenfields mainland site in the world's history - 19 major banks and five export credit agencies contributed to this debt finance."

Mrs Rinehart's Roy Hill project achieved a number of notable milestones en route to completion. The project remained within budget despite the high cost nature of the Pilbara, recorded the fastest ramp up for a mining project in Australia and, perhaps most impressively, achieved both with better safety rates than the WA mining industry average.

The mine featured some of the world's largest mining equipment, its EPC contract is the largest commercial deal recorded between Australia and South Korea, and is home to Australia's first and only fleet of pink mining trucks

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Gina Rinehart.



Roy Hill's Pilbara operations from the air.

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in support of people with breast cancer. Funds raised by Roy Hill staff for breast cancer patients and research are matched by the miner.

Professor Plimer said on the back of Roy Hill, the Hancock-Rinehart family was the only family in Australia finding and developing tier one deposits for generations.

"Other explorers such as Charles Rasp (Broken Hill) and John Campbell Miles (Mount Isa) are rightly famous for their explorations, but never achieved driving development into successful mines like Gina Rinehart did," he said.

Mrs Rinehart said herself it was rare for an Executive Chairman to see a project through from temporary tenements to shipping its ore, but this was exactly what happened at Roy Hill.

"Seeing a project from its temporary tenement stage right through exploring, finding ore deposits previously not identified, significant difficulties, financing, construction,

The major mines our company has invested in and driven to create will bring much-needed revenue, opportunities and jobs to debt-ridden Australia.

ramp up and becoming a mega mining project, shipping its ore to become the largest single iron ore mine in Australia, is rare worldwide," Mrs Rinehart said. "Usually exec chairs don't drive a project through all the way from initial temporary tenements."

Australia's richest person and a figure synonymous with mining globally, Mrs Rinehart said at the core of her achievements was a very simple desire that drove her to succeed every day.

"Being able to contribute and believing my contribution is good for our company, state and nation," she said.

"The major mines and mega mines our company has invested in and driven to create will bring much-needed revenue, opportunities and jobs to debt-ridden Australia."

"Through hard work and largely good decisions - nobody



Mrs Rinehart cites the maiden shipment of the MV Anangel Explorer in December 2015 as her proudest moment.

can be right 100 per cent all the time, as my father used to tell me - I have built Australia's most successful private company, so I believe my contribution has, if considered fairly, been of value, and I like to be able to continue to contribute."

Mining matters

It is not just the work Mr Hancock and Mrs Rinehart have done in discovering, developing and producing world-class resources that needs to be noted, according to Professor Plimer.

He believed their most important achievement was the way they had stood up for the mining industry and against policies that could damage or destroy it.

"Both father and daughter have given speeches, written articles and written a book, or in the case of Mrs Rinehart, books," he said.

"Lang had to spend more than eight years of his life endeavouring to persuade the federal and state governments to lift their respective bans on export and on getting title to tenements, which had stymied the development of today's now huge and critical iron ore industry."

According to Mrs Rinehart, because of the work he put into lobbying government during his life, the level of current government involvement in the industry would disappoint Mr Hancock today.

"I believe my father would still love the mining industry, especially its huge contribution to our north, our state and our country," she said.

"What would upset him the most, I sincerely believe, would be the huge increase in government tape and compliance, which has hugely increased since he was alive, and which, together with high taxes, deters investment in the mining industry and our country."

Mrs Rinehart also blamed the increase in government red tape and compliance burdens for not allowing her to limit investment to being exclusively for Australia, something which she had hoped to do.

"Given the risks of bad government policy in Australia affecting investment and the mining industry, and the growth of government red tape and compliance burdens, in the interests of our company, I have, like other mining companies, also had to look towards suitable investments outside Australia, such as in our instance, recently, South America and England," Mrs Rinehart said.

Remaining cost-effective and competitive on an international basis is the challenge that faces Roy Hill and all Australian miners, according to Mrs Rinehart, who said an increased use of practical technology would be a prevalent facet of business moving forward.

"The Australian mining industry is a hugely competitive industry, which despite Australia's high costs, must compete on international markets to sell its products, against countries with lower government cost burdens," she said.

Whatever the future holds and however Mr Hancock and Mrs Rinehart are remembered, Professor Plimer said the latter's desire from each day - to contribute and for that contribution to be heralded as a good thing for her company, state and nation - had definitely been achieved. **NMC**