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## **More than an aluminium producer**

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### **Abstract**

Tony Hiscock, Manager of Alcoa Farmlands, will share his experience running Alcoa's rural landholdings and farming activities in WA that is underpinned by an ethos of conservation and sustainability. These landholdings total more than 19,000 hectares and are across three major locations. About half of the area supports an extensive agricultural enterprise that comprises 11,000 cattle, 7,000 sheep and 450 hectares for cropping. The balance of the land is taken up with land uses ranging from heavy industry through to significant stands of remnant vegetation.

In Australia, Alcoa operates an integrated bauxite mining, alumina refining and aluminium smelting system. Alcoa was named one of the world's most sustainable corporations at the World Economic Forum in Davos, Switzerland, and one of Fortune 500's World's Most Admired Companies.

Tony will introduce the unique sustainable management practises that have provided an insight into the links between industry, agriculture and environmental management.

He will also be discussing the regional scale of Alcoa's farming enterprises and the approach to managing the biodiversity/conservation mix. He will provide insight into the opportunities that the rural landholdings provide to the local and broader communities.

Alcoa Farmlands provide a good example of how productive agriculture and biodiversity conservation can be managed hand in hand to produce mutual benefits. Responsible management of vegetation can be used as a tool to deliver better water quality and quantity targets. Tony will address Alcoa Farmlands response to climate change and managing energy flows and carbon inputs and outputs.

His presentation will also cover:

- Innovation
- sustainable agriculture
- indigenous land management
- land management on a landscape and local community level

Our rural landholdings and operations epitomise the links between Industry, agriculture and the environment and the ability to operate in a sustainable manner.

## About Alcoa

Alcoa of Australia is a large integrated bauxite mining, alumina refining and aluminum smelting, rolling and recycling company that employs more than 6,000 employees and 1,000 contractors in Australia which has operations in Victoria, NSW and WA. It is part of a larger global company with around 130,000 employees at 27 locations worldwide.

## Location and physical attributes

The three major properties that are the subject of this presentation are located within two hours drive south of Perth, are geographically about 35 kilometres apart and are situated about midway between the coast and the Darling Ranges to the east

The total rural landholdings occupy nearly 19,000 hectares, of which 9,000 hectares is actively farmed. The balance is covered by remnant vegetation, other significant environmental areas, easements and public utility areas that occupy another 7,000 hectares. The core industrial installations occupy 3,000 hectares.

Alcoa acknowledges that farming, land ownership and mining are all NRM operations and as it owns, manages, mines and farms the largest number of hectares in the region, it is also the largest NRM body in the Peel Region of WA, which comes with many expectations.

*So, what do we do with this land?*

## Enterprises

The main enterprise is a self-replacing beef cattle herd made up of Angus and Murray Grey breeders and consists of over 3,600 cows that peak at around 8,000 head at maximum production.

There is also a sheep and cattle trading enterprise that turns over about 3,000 sheep and 1,000 cattle per year. This year also saw the introduction of a cattle back-grounding enterprise where we host-manage up to 2,000 cattle per annum. Alcoa has the largest beef breeding herd in the SW of Western Australia and is amongst the five largest beef producers for the region.

We also crop around 450 hectare of oats each year on the Boddington property for both export hay and domestic grain consumption.

## **Our regional contribution**

The business has seven permanent, fulltime employees that focus on livestock and pasture production. They are assisted further with another 2.5 full time equivalent employees when there is seasonal demand. All other routine tasks are undertaken by a contractor group that comprises another twelve local businesses. Both temporary employees and contractors are sought out locally.

Alcoa also ensures spending in the local area of its operations. The agricultural operations contribute up to \$2m as direct expenditure in the local community. Additionally, Alcoa's "source locally first" policies require us to seek resources for manpower, goods and services in our local area before looking elsewhere.

## **Our purpose**

Since the commencement of Alcoa's operations, it has purchased significant areas of town, industrial and agricultural land holdings to either support or buffer its alumina refining and mining operations. It was decided to maintain the rural land use that is both compatible and acceptable to the local communities.

A mission was developed for the agricultural operations that ensured Alcoa's rural landholdings are being managed as an environmental buffer zone that not only supports the refining and residue operations but also maintains commercial viability that also builds local community relations. It is therefore essential that Alcoa always maintains an acceptable land use to the expectations of the local and broader community, through involvement, sharing information and contributing to local issues.

## **Meeting the environmental challenge**

Farmers have some very strong perceptions of current environmental trends, particularly in the agricultural areas of Western Australia. Many farmers regard current regulations as excessive, which have been introduced as a consequence of politicians. They also feel that many of the agencies are out of touch with reality and that their rights as landholders are being eroded. These perceptions must not be ignored as many farmers are very passionate about these views. Much of the concern is a legacy and criticism of some of the extreme views from conservationists that emerged some years back.

Essentially, there are three major farmer groups when it comes to taking a position on environmental issues. The first are those that deny there is a problem, they openly attack their critics, will generally blame others for the problems and insist that their view is the only real one. Then there is the second group that really doesn't do anything, they are the ones that wait for it to be fixed for them.

Then there is the third group. These are the ones that acknowledge the problems, talk to the industry critics, seek resolution and accept that others have perceptions that agriculture does in fact need to account for some of the damage to our land assets. These are the folk that participate in land care groups and are also keen to collaborate and influence those in the other two groups.

So, what is Alcoa's position? We insist that agricultural production and conservation must work together. We also acknowledge that we have an obligation to enhance our local landscape and be very sensitive to community needs and expectations. We must keep an environmental, social and economic focus and always provide support, skills and knowledge where we possibly can. These are all points that have been consistently highlighted over many years and now underpin our policies in relation to land management.

## **Integrating our business with conservation**

We are constantly seeking out opportunities that will enhance the social dimension of land use and land use change. We are committed to collaborative research and extension with government and non government agencies to develop processes that can be readily adopted by other landowners.

Acknowledged as a leader in the beef industry, we also focus on biodiversity in all of our farming practices, we have also extensively implemented sustainable grazing systems, such as rotational grazing and cell grazing to further improve our utilization of pasture. We have made a major investment into land improvement; next year will see the planting of the 1,000,000<sup>th</sup> tree on our own landholdings. We are also targeting more efficient water use in both our livestock and pasture production systems.

We could not have been as successful as we have been, or indeed have earned the acknowledgement that we have without the highest level of quality assurance management in place. Over the years we have deployed several programs from OH&S Management and CattleCare, through to Environmental Management Systems. This is the only way that we can ensure ethical, safe and environmentally responsible food production. This is a factor that should be a priority for any food producer in this country.

## **The Alcoa journey**

The journey commenced in 1993, with the development of land use management plans for each location. These plans took into account internal and external stakeholder views, assessed the natural, social and economic assets of each property, from which a series of location implementation plans were formed, inclusive of management groups and charters.

Through specific land management programs we have implemented land care projects, supported local initiatives, land care groups and catchment councils. This year also brought about the commitment to larger community scale projects in partnership with Greening WA and regional land care groups.

## **The importance of the community links**

There are many benefits that result from proactive community interactions. They cover projects with shared accountabilities and interests, capacity to influence others, crossing fields of common interest, a team environment, economic, environmental and social

outcomes, opportunities for transparent discussion, opportunities for community involvement, better community relationships and linking community and Alcoa projects.

We also seek opportunities that can influence and impact on many stakeholders. These are opportunities that will empower community groups, provide effective engagement that increases the knowledge, skills and new partners, networks and relationships which will be established.

Community expectations are fulfilled by providing the opportunities and transparent discussion that helps to break down any barriers to change. Alcoa is a leader in sustainable farm management and revegetation in the region, so we must ensure acceptable land use, share our knowledge, be supportive of regional strategies, protect our resources and deliver community benefits that balance social, economic and environmental values.

We have significant resources, as such; we can share our knowledge about our natural and heritage resources.

## **Partnerships and projects**

We are involved in more than ten group projects that involve significant networks, plus some twenty plus individual group projects. Externally, we have involved ourselves in providing up to 100 hectares of land and 650 animals for production and environmental research and extension work, through to hosting field days, protecting wetlands and having a direct involvement in five other regional projects.

On our own landholdings, we have planted more than 920,000 trees, revegetated 500 hectares of land, streamlined over 23 kilometers of riparian area and protected eleven wetlands and nearly 4000 hectares of remnant vegetation.

All projects include the use of our own employees, school groups, community groups and agencies that wish to participate.

## **The agricultural context of climate change**

We know through Professor Ross Garnaut and others, that emissions growth causing climate change will have a very costly impact on agriculture. It could be devastating to biodiversity and some ecosystems, is very likely to cause seasonal change and will potentially impact negatively on water availability for agriculture.

The harder any natural system is pushed the more unstable it will become and the more management it will require. There are specific livestock industry challenges that include a distortion in relation to land use, brought about by the likely increases in incentives for forestry production. Plus, as yet, we don't really know how to reduce methane emissions beyond reducing production and we have already seen evidence of the increased cost of farm inputs, especially fertilizer and fuel.

*So what are we doing to help balance the load?*

We have adopted several operational management initiatives to help offset the effects of what I have outlined above. They include better utilisation of pasture, ensuring better feed conversion, strategic supplementary feeding, increasing animal turnoff, more effective fertiliser use, fuel use reduction initiatives, using more minimum tillage and further introduction of perennial pastures.

We have also adopted and implemented several natural asset initiatives such as protecting, enhancing and restoring our natural assets, implementing water efficiency strategies, investigating renewable energy options such as solar, wind, hydro, biomass and biodiesel and identifying applicable applications for such technologies.

Measuring emissions is also critical to any future management processes that we put into place. We have used carbon calculators and whilst they do give significantly differing results, they are also useful at being an indicative guide for introducing on farm improvements.

We are also investigating future modeling scenarios through Greening WA. These are based on the interface between social, environmental and economic factors in sustainable agricultural production that enable differing scenarios to be examined to better understand landscape resilience and potential for adaptive management.

Once we have finalized our position and the likely impacts on the region, we can share with landowners and work further with NGOs and agencies to discuss issues in relation to carbon capture and storage, soil sequestration and reduction in energy consumption that will also focus on waste reduction and value adding options.

## **Our vision for the future**

Alcoa wishes to be acknowledged and celebrated for its land assets and their uses, the creative integration of our land assets into the region and our continued positive consideration of natural, social and economic values of the region. We also need to ensure our acknowledgement of adapting to regional conservation and aesthetic needs, whilst being able to demonstrate commercial success and environmental sustainable land assets that are being shared to the benefit of the whole community.

## **Summary**

This paper discusses our commitment to environmental rehabilitation and sustainability and how we use our landholdings to demonstrate that to the broader community. Being able to influence positive change is fundamental to what it is we do.

We have steadily increased our level of beef production using an environmentally sustainable grazing system that is integrated with conservation values and we have been able to share and transfer this information through the level of community involvement that we undertake. As acknowledged leaders in the beef industry, we must also ensure that we are being accountable for our inputs and the emissions of our operations and always seek to influence positive cultural change where we can.

## Conclusion

Our efforts with seeking high input and high output agricultural production over the last centuries have significantly damaged the land that host those activities. It is time that we learnt from the land itself. We must now learn to redesign agriculture that will ensure the resilience of both our agricultural industries and our ecosystems on which they depend.

***'This is our challenge and our opportunity. Let's not dwell on the past, let's create our future.'***