
Featured Profile: Jim McKay

Home grown



From Hobart to Melbourne and across the nation, Warakirri Asset Management managing director Jim McKay is sowing the seeds and reaping the rewards of Australia's prosperous agricultural industry. Chloe Walker writes.

"It's important to leave a place in better shape than you found it."

This is one of Jim McKay's favourite quotes, and one that has guided his journey to becoming managing director of Warakirri Asset Management. The fourth of six kids born in Hobart, McKay and his siblings were always encouraged by his parents to work hard, respect money, and most importantly, to make a positive contribution in whatever they did.

It's important to foster a culture and an environment where people feel that they can contribute their best.

Now, as he heads up Warakirri, a multi-boutique and agricultural investment business, McKay does so with the belief that you must make a positive impact, whatever the situation.

As soon as he could, McKay began working part-time, first in a bottle shop and then as an umpire at his local AFL club.

"For my parents this ethos was important because it taught us kids the value of money. Obviously, we didn't get paid a great deal, but when the money was spent, we knew we had really earned it," he says.

"I think the value of hard work and a dollar is a very important thing to learn. These sorts of attributes are the ones that stick with you through life, and I think they're good attributes to have."

Perhaps this profound financial sagacity was what saw McKay take up accounting at a tertiary education level. While he was inspired by the three other accountants in the family, he soon realised it wasn't for him and switched to economics.

At the time, McKay was dating his now-wife, an auditor who suggested he apply for a role at Hobart's SMF Funds Management. Without really understanding what the role involved, McKay went for it and succeeded.

With his first job in funds management well underway, it wasn't long before McKay was sent to Melbourne to take on a new role, focusing on client service and distribution.

Swiftly, McKay moved up the corporate ladder, with a brief stint in superannuation followed by 10 years in the funds management division at JBWere. It was there, McKay says, that he first learnt the foundations of great leadership.

"JBWere was a great business. I learnt a lot about business ethics and how to properly look after people and clients," he says.

Having learnt these essential lessons, McKay returned to Hobart and took on his first managing director role at Garrisons, then a subsidiary of Challenger.

Ever so humble, McKay puts receiving the highly esteemed role down to simply "being a Tasmanian".

"They wanted someone to run the platform business that was based in Hobart. There weren't that many Tasmanians around, and so somebody got my name and I ended up moving back to Tasmania for a couple of years," he explains.

Albeit a great experience, the role wasn't sustainable from a lifestyle and family perspective, so after a break McKay decided to return to Melbourne.

"In Melbourne I bought into and then restructured a financial planning business," McKay recalls.

"I was there for three years, and I really enjoyed that time as it allowed me to be at home with my family."

Lead distribution roles with ING Investment Management and Franklin Templeton followed before McKay was tapped for the top job at Warakirri.

Over the past five years, McKay has led the Warakirri Asset Management team to great heights, with the launch of the diversified agriculture fund, a strategic partnership with Northcape Capital, an acquisition of part ownership in Flinders Investment Partners, and a ranking in the top 30 of global agriculture investors, to name a few achievements.

Warakirri, named after an Australian Aboriginal word meaning "to grow", provides a unique two-pronged approach for its investors, running a multi-boutique, alongside its agribusiness platform.

"But for us, it's much more about getting results for our clients, and we've had a tremendous past few years delivering returns and great capital growth from our Australian agriculture investments," McKay says.

Luckily for McKay and Warakirri, the current global agriculture climate seems to be in favour of Australian-made offerings.

Today, he says, Australia is the food bowl of Asia and Warakirri predicts a long run thematically in agriculture.

"It's really exciting to be involved in acquiring land, and also improving it, investing in it, and treating it as if we own it for life. It's not about maximising the return quickly, but to doing a great job for our investors over 10, 20, 30, 40 years," McKay says.

"That's how we think about it, and what's pleasing is that it's also how our investors think about it."

Presently, Warakirri owns a wide range of agriculture properties across Australia, producing a variety of crops including barely, canola, wheat, lentils, cotton, as well as being the nation's largest primary producer of dairy.

"We're fairly significant producers and that's really exciting, but for us scale is critical," he says.

"What we know is by diversifying across soil types and commodity types, you reduce the risk of negative returns, and you provide the opportunity for superior returns, versus if you just owned one farm in one location."

So far, Warakirri owns farms in every state of Australia, with the exception of Tasmania. However, plans to make its mark in the Apple Isle are underway, McKay confirms.

Setting up shop in his home state aside, McKay is coy when it comes to the remainder of Warakirri's pipeline.

"There are several things we are working on in the boutique space, that we hope to be able to bring into market in the next 12-18 months. However, we've already got some great partners and we want to make sure that as a business, we're delivering on the promises we've made to them," he says.

"All in all, we'd rather be doing a great job for them, rather than looking over the horizon for what's next. I think that is the right philosophy for our business."

For McKay, these results can only be accomplished with the help of a great team; during his tenure, Warakirri's worker tally in both a corporate and farm setting has significantly increased, to the benefit of the business and investors.

"At Warakirri, our attitude is that we don't care where an idea comes from, it's about the quality of the idea. Having a diverse set of backgrounds of employees gives us the best opportunities to get the best ideas," McKay says.

Much like a farmer prepping the soil for seeds, McKay knows the importance of a positive culture in producing a bumper yield and ensuring that his actions and the business live up to its name.

"In my experience, if you can engage and motivate people to work together and come up with ideas, then that's going to deliver the best outcomes for your clients," he explains.

"It's important to foster a culture and an environment where people feel that they can contribute their best." Fs