

History & Heritage

I first arrived in the Hunter Valley in 1977, by which time the sites currently occupied by Coolmore and Woodlands were well and truly established as two of the Hunter Valley's leading thoroughbred nurseries. My connection with the Hunter Valley began at the iconic Widden Stud where I did five seasons, the last as Manager; I was General Manager at Arrowfield in the late 1980's for four years during which time we developed the farm that is now owned by Coolmore at Jerry's Plains. I then spent fifteen years as a bloodstock agent, my most significant racehorse purchases over this period were all Hunter Valley graduates – the champion Mahogany, the Golden Slipper winner Merlene and Hong Kong champion Charming City to name but three. My most recent and ongoing role is as Managing Director of Darley with responsibility for the Hunter Valley studs at Woodlands and Kelvinside, plus racing operations in Sydney and Melbourne.

Both Woodlands and Coolmore have a history and heritage associated with thoroughbreds that dates back well before my presence in the Hunter Valley. Woodlands was settled in 1824 and it is believed that the current homestead was built in 1833.

Woodlands' first recorded association with thoroughbreds dates back to the 1870's under the ownership of H.C. White who bred and raced thoroughbreds, the most prominent of which was dual Caulfield Cup winner Paris in 1892 and 1893. Since then it has been operated as a thoroughbred stud, notably by George Ryder, the first Chairman of the Sydney Turf Club and founder of the Golden Slipper – now the most valuable two-year-old race in the world. Ryder stood a number of champions in the 1950's and 60's including Newtown Wonder and Pipes of Peace. He sold the property in 1971 to an international partnership which included famous English owner Lord Derby and American Bob Kleberg of King Ranch Texas. That partnership was dissolved in the mid 1980's when the property was sold to the Ingham brothers who were responsible for elevating Woodlands' status to the number one producer in the Hunter Valley – breeding 124 Group 1 winners over the next twenty five years including the Champion Lonhro and standing his sire Octagonal. During that time, Champion Sires that have graced Woodlands include Canny Lad, Lonhro, Octagonal, Quest For Fame and Grand Lodge. Since Darley's purchase in 2008, Champion racehorses reared at Woodlands include the Golden Slipper winners and Champion 3 year olds Pierro and Sepoy.

Coolmore's farm at Jerry's Plains was formally the Arrowfield Stud with the current facilities upgraded by John Messara in 1987. This farm had a long history of producing champion thoroughbreds in the early 1900's when it was in the ownership of the Moses family. They bred a number of high quality racehorses notably the great Heroic.

There is great history and heritage in these 2 farms that goes back for well over one hundred years. If approved, the project will impact on this historic, cultural landscape, its setting and its defining character that distinguishes this area of the Hunter Valley and sets it apart from Australia's other thoroughbred regions. The natural landforms remain, an abundance of river

flats for nursery paddocks and a wide variety of slope and upland for the development of lungs and limbs in young athletes – a unique brand of thoroughbred from the Hunter Valley that is now recognised and sought after internationally.

Significantly, our experts have found that the proponent does not adequately address or consider any potential impacts on the heritage values of the thoroughbred industry in the Hunter Valley. This is a significant omission that results in an incomplete heritage assessment.

Co-existence

In their response to submissions Anglo American contends that Darley Woodlands has been operating in the proximity of (intensive) mining for at least two decades. In fact, the closest open cut coal mining operations to Darley Woodlands are 8-10 kilometres away. While these operations have visual and other environmental impacts, they are tolerated at this distance.

It should also be noted that a significant portion of Darley's staff reside on the Woodlands property – both single adults and families with children. In total 74 people reside on the Woodlands property. They don't just work here, they and their families live here. Woodlands is their home.

The impacts of a mine in such close proximity to Darley's operations and where its employees reside pose significant concerns for their health and welfare and their general living conditions. Air quality, exposure to dust, regular blasting events, noise, light and other hazards is not an environment that we or our industry could expose our bloodstock to let alone our employees.

Mining in such close proximity significantly devalues our landholdings and overall investment. It also lowers our reputation and our standards.

Economics of the Project

Darley (and Coolmore) commissioned Financial & Economic Consultants Marsden Jacob Associates to review and remodel Gillespie's economic assessment.

Marsden Jacob Associates found that that the Gillespie economic assessment of the project was fundamentally deficient and misleading and if realistic assumptions are used is not beneficial to the NSW economy. I am joined by Rod Carr, a Principal at Marsden Jacobs Associates who will expand on this when I am finished.

Diversification and Life after Coal

Thoroughbred breeding has been operating on these farms for nearly 150 years. It is a highly productive form of sustainable agriculture that has the capacity to employ people in the region for well beyond the next 150 years. However, it has been widely reported that thermal coal will remain viable as a fuel, at best, for another 50 years – Hunter Valley coal is currently being

shipped out of Newcastle at a loss with no sign in the short or long term that the economics will change.

We are faced with a choice between an industry which is in decline at the expense of a major agricultural industry that is sustainable and has been here for 150 years.

For those reasons the development of the mine places massive and unnecessary risk on sustainable, productive businesses such as Coolmore and Darley's Woodlands.

Conclusion

The Drayton South Project is one mine in the wrong place that fails to provide economic benefit to the NSW economy.

The nature of the environmental risks means that impacts are inevitable. Any approval will fragment and displace an entire industry. Surely it is not in the public interest to place sustainable highly productive operations at risk for a project that fails to provide economic benefit.

Rodd Carr

I will now hand over to Rod.

Rod has expertise in economic assessment and government decision-making gained from over ten years' as an Economist with NSW Treasury and the Australian Government. In particular, with NSW Treasury, Rod was responsible for reviewing and providing guidance on economic assessments of mining, water resource, environmental and transport projects.