



SUBMISSION ON HUNTER VALLEY OPERATIONS – ENVIRONMENTAL
IMPACT STATEMENT

HVO NORTH OPEN CUT COAL CONTINUATION PROJECT SSD – 11826681
&
HVO SOUTH OPEN CUT COAL CONTINUATION PROJECT SSD – 11826621

FEBRUARY 2023

EXECUTIVE SUMMARY

The Hunter Thoroughbred Breeders' Association objects to the Hunter Valley Operations Open Cut Coal Continuation Project North and South.

The Hunter Thoroughbred Breeders' Association (HTBA) represents Australia's multi-billion dollar thoroughbred breeding industry centered and concentrated in the Hunter Valley, recognized as the Horse Capital of Australia, which consists of over 200 thoroughbred breeding operations and support industries.

Jerrys Plains is the gateway to Australia's Horse Capital and Equine Critical Industry Cluster. It is the home of Coolmore Australia and its neighbour Godolphin (Woodlands) which are Australia's and the world's largest equine operations and market leaders. They are the recognised "epicentre" of the Hunter's Equine Critical Industry Cluster (Equine CIC), which previous independent Planning Assessment Commissions (and Gateway Panels) recommended be provided total protection from open cut coal mining in close proximity.

The Coolmore and Godolphin operations have a continuous connection to thoroughbred breeding of almost 200 years, dating back to 1822 when Godolphin Woodlands was first surveyed and 1824 when Coolmore (then known as the "Arrowfield Estate") and Woodlands were first settled by horse breeders. Since those times these studs have passed through many notable hands, including the Moses Brothers (thoroughbred breeding pioneers); AG Grace (one of the retailing Grace Brothers); turf legend George Ryder (whom the George Ryder Stakes, \$1 m Group 1 Race now honours); the Ingham Brothers (of poultry business fame); and John Messara AM (Chairman and founder of Arrowfield; former chairman of Racing NSW and Racing Australia). Each and every one of these owners valued and respected the Valley in which the studs are located and the land upon which they operated and improved the pastures and introduced breeding innovations. Coolmore and Godolphin (Woodlands) have built upon these traditions and breed champion racehorses and mares which have placed Australia on the international map equivalent to the best in the world for breeding champion thoroughbred athletes, such as Winx, a horse that stopped nations.

The HTBA is not opposed to mining, but we are opposed to mining in close proximity to our studs which impacts the operations of these studs; threatens our industry's future; sullies our reputation; dissuades investment; and damages the environment, social cohesion and economic resilience of the region in which we and our community live and work.

Specifically, we oppose the HVO Open Cut Coal Continuation Project (North and South) ('the Project') because the Project and/or Proponent:

1. breaches air quality standards;
2. breaches the aquifer interference policy;
3. breaches noise policy standards;
4. results in significant greenhouse gas emissions, the calculations of which have been significantly underestimated;
5. impacts the Hunter River and its alluvials, with consequent surface and ground water impacts which have not been adequately assessed;
6. makes no assessment of noise, blasting, vibration and air quality impacts on our industry's operations and product;
7. makes no serious attempt to assess the agricultural impact of the Project on either Coolmore, or the Equine CIC (there is only one reference to Coolmore in the Agriculture Assessment (Appendix Q);
8. makes no assessment, in its social impact assessment, of the impact of the Project on our industry;

9. inflates the benefits and underestimates the costs of the Project – thereby presenting a biased net economic benefit analysis in favour of the Project;
10. fails to present transparent and contemporary data upon which the Project can be properly assessed;
11. assumes away the Project's impacts on our industry by stating the Project will have "no impact", or "negligible impact". This comprehensive failure to seriously assess the potential impacts of the Project on its neighbours and the Equine CIC is a breach of policy; a breach of SEARs; and a breach of due diligence if it is not rectified. Coolmore is only some 3km from this project. It will be directly impacted (at a minimum) as a result of the Project's noise and blasting, air quality, dust; water and visual impacts;
12. makes no serious attempt to properly assess the cumulative air quality, water and noise and blasting impacts the Project will create;
13. makes no attempt to properly assess the Visual Impacts of the Project on nearby studs, clients, tourists and staff that will now be impacted;
14. has the potential to significantly impact heritage sites which have not been properly assessed;
15. represents policy information which is skewed in favour of the mining industry and omits references in those policies for the need for "balance" and the "protection of agricultural industries, specifically the Equine CIC".

It has taken HVO two (2) years to develop its Environmental Impact Statement from the time it presented its Scoping Study (in December 2020) to the time it lodged its EIS (in December 2022). We, the community that will be directly impacted by the Project, have had 28 days in which to decipher and attempt to assess over 5,000 pages of highly technical information which will form the basis of a decision that will impact our lives and those of future generations. The costs and resources needed to do this is often beyond the reach of the average farmer. Yet the decisions made will impact on farmers' lives and livelihoods, and industries like ours, for many decades to come. It is important therefore for the Department to give weight to the views of the farming community living in proximity to the Project, to properly understand the reputational and investment perceptions and impacts open cut coal mining has on our industry; and to ensure the Proponent provides all information required to assess the Project's impacts in a timely and transparent fashion.

Many government policies and planning assessment commission findings recognise the importance of both mining and thoroughbred breeding industries in the Hunter Valley. Many also recognise that open cut coal mining and international scale thoroughbred breeding cannot coexist in close proximity. So, the key question here, is how close is too close?

By their own admission, HVO will breach accepted air quality standards, accepted noise and blasting standards, and the Aquifer Interference Policy. Our industry is founded on the principles of "clean, green and serene". Each of these is being ignored by the HVO.

We understand that the Department will undertake its own due diligence. We trust it and its agencies will require the Proponent to provide the additional information requested by us and Coolmore. We also stand ready to provide any additional information required.

However, based on our preliminary assessment in the limited time available, the Project's significant breaches and environmental impacts; and the proximity to one of the central players in the Equine CIC, we respectfully request the Department to reject this application.

1. The Hunter Thoroughbred Breeders' Association

2. The HTBA represents Australia's multi-billion dollar thoroughbred breeding industry centered and concentrated in the Hunter Valley consisting of over 200 thoroughbred breeding operations and support industries.

2. The Hunter Thoroughbred Breeding Industry

3. The Hunter is home to Australia's largest concentration of thoroughbred breeding operations (2nd largest in the world) and largest producer, supplier and exporter of premium thoroughbreds. The industry contributes in excess of \$5 billion, \$2.6 billion and over \$0.5 billion per annum to national, state and regional economies.
4. The Hunter Thoroughbred Breeding industry provides sustainable employment to over 5,000 people in the Hunter and supports a sophisticated network of equine support industries, including the Scone Equine Hospital, the largest in the Southern Hemisphere and a Centre of Equine Veterinary Excellence in its own right.
5. The Thoroughbred Breeding industry has a proud history in the Upper Hunter starting from the late 1800's and spanning nearly 200 years.
6. There are some 200 stud and broodmare farms concentrated in the Upper Hunter. At the centre of the industry are stud farms such as Coolmore. It is a global and Australian market leader. As previous PACs have found, it is a "pivotal" "central actor" and "critical to the functioning of the Hunter's Equine Critical Industry Cluster (ECIC)".
7. The industry is vertically integrated into the NSW Racing Industry and provides employment and business opportunities to over 200,000 people across its national network – upstream and down from fodder and saddlery through to racing, accommodation, fashion, tourism and hospitality.
8. It is a significant national, state and local employer and has been recognised by the NSW Government as a state significant industry. The industry has been mapped as an Equine Critical Industry Cluster, protected against coal seam gas development and promised heightened protection from coal mining.
9. The Hunter's Thoroughbred Breeding Industry is 1 of 3 Centres of Thoroughbred Breeding Excellence in the world, alongside Kentucky in the USA and Newmarket in the UK. It is the only thoroughbred breeding industry of such significant size, importance and global reputation that is not protected from incompatible development (such as mining) with buffers, protection zones or preservation orders.
10. This fact has been recognised by previous Planning Assessment Commissions (PACs) and Gateway Panels.
11. Our internationally renowned industry has taken many decades to build. International breeding and racing experts and investors alike consider the Hunter Valley "a rare international gem" that has all the attributes (environmental, topographical, scenic and reputational) to continue to grow and take advantage of investment and further growth potential as our breeding and racing markets, and those throughout Asia, expand.

3. Our "Epi-Centre" and "Central Players"

12. Our industry is founded on the strength of our premium stallions. The stallion farms in the Hunter Valley are inextricably linked to over 150 broodmare operations clustered in the Hunter Valley and the sophisticated network of equine support industries. These operations would not be in the Hunter Valley if it were not for the stallion stud farms, such as Coolmore.

13. The Hunter Valley's breeding industry underpins the NSW racing industry (and racing industries across Australia, particularly the Eastern seaboard) and the significant revenue, investment and tourism that NSW breeding and racing attracts.
14. Coolmore, along with its neighbour Godolphin, are the Australian and world market leaders in breeding and racing. They are as dominant in the sales ring and on the racecourse (representing 50% of the market in both). Their stallions and the progeny of their stallions are highly successful, highly valuable and coveted by domestic and international breeding and racing interests.
15. Government Policy and previous Planning Assessment Commissions have recognised:
 - The importance of the Hunter's thoroughbred breeding industry – internationally, nationally and to NSW.
 - The vulnerability of thoroughbred breeding to the threats of open cut mining and the damage open cut mining presents to the reputation of the studs and the industry at large.
 - The incompatibility of open cut mining and thoroughbred breeding in close proximity.
 - The importance of Coolmore and Godolphin to the Hunter's ECIC (the "epi-centre"; "central players", "central operators").
 - The need to protect the industry, *"through the development of appropriate buffers, exclusionary zones or preservation measures, to safeguard this important industry"* (Recommendation 5, PAC November 2015).
 - The unacceptable risks to human and horse health which open cut mining could present.
 - Balancing competing and conflicting land use is not inherent in the existing planning framework for the region **and espousing coexistence does not make it so.**
 - The impacts of air quality, blast noise and effects on existing land uses in the vicinity which cannot be avoided or mitigated and for which adaptive management is unsuitable.

4. Investment, Brand and Reputation

16. The global thoroughbred breeding industry is very competitive and investment is highly mobile. Reputation and brand are paramount to attracting investment and retaining clients. This is reflected in every aspect of a world scale stud's appearance and operation – from the approaches, surrounds, the front gate and throughout every acre of the stud's operation.
17. The production of elite equine athletes requires a unique operating environment combining scenic landscape, plentiful clean water, rich soils and a varied undulating terrain to produce and develop young equine athletes into champions of the future.
18. All of these characteristics are present at Coolmore's stud in the Upper Hunter Valley. Any threat to this environment (perceived or real) will threaten the fundamental basis of the industry's business model. This is true of every stud operating in the Upper Hunter.
19. Over the past few decades, and particularly since Coolmore established its operations in the Upper Hunter, the Hunter Valley's rich history of breeding thoroughbred champions has attracted significant domestic and international investment (billions of dollars) and a concentration of Thoroughbred Breeding support industries making the Hunter Valley the envy of our domestic and international competitors.
20. Major Thoroughbred Breeding players in the Hunter Valley (including thoroughbred breeders, such as Arrowfield, Newgate and Yarraman Park the Coolmore and Godolphin stud farms, the Vinery stud, the Malaysian owned Kia Ora stud) have invested billions of dollars in establishing world-leading properties, breeding and bloodstock. They have attracted a sophisticated network of thoroughbred support industries which would not be located in the Hunter Valley but for the existence of a world-class Thoroughbred Breeding Industry.

21. Once the Hunter Valley would have been without question the ideal and natural place that international and domestic investors would choose to locate and establish their operations. However, investment is now stalling as thoroughbred breeders and key support industries grapple with investment uncertainty due to the encroachment of mining and the decades of instability and uncertainty that has entailed.
22. Investor perceptions have been negatively affected in the Hunter Valley and significant investments that would once have naturally come to the Hunter Valley have been deterred and diverted to other states – including Victoria and Queensland – because of the inherent incompatibility of coal mining and thoroughbred breeding and the significant threat mining poses to every aspect of thoroughbred breeding – including and importantly its brand.
23. Examples of this include:
 - Spendthrift, one of the largest breeding operations in world and one of the largest in Kentucky. Their decision to invest in Victoria was influenced by mining uncertainty in the Hunter Valley;
 - Aquis Farm is another example. Owned by one of Hong Kong's wealthiest families, the Fung family, they also decided to establish their central operations in Queensland due to the uncertainty caused by mining in the Hunter Valley;
 - Goldin Farms chose to invest in a horse breeding and training facility in South Australia due to the volatility and uncertainty in the Hunter caused by mining;
 - Seymour Park, a Victorian company looking to establish operations in the Hunter has abandoned those plans and have decided that the Hunter is not a safe place to invest due to the ongoing problems with mining;
 - The Chinese owner of Yulong Park chose to invest in Victoria due to the uncertainty caused by mining in the Hunter. Since purchasing that property in Bayles Victoria, Yulong has expanded, adding another three properties, in the heartland of Victoria's thoroughbred country, and now totals over 1,000 acres, cementing Yulong's long term future in Victoria;
 - One of Australia's largest food companies, whose owners are passionate about thoroughbred breeding and racing, recently bought a farm in Victoria. This decision also was influenced by the continued and long running problems relating to mining in the Hunter Valley, which they considered was not a safe place for their significant investment.
24. Taken together, these examples of thoroughbred investments that have been made elsewhere, represent hundreds of millions of dollars of investment and jobs that would, but for the threats and uncertainty caused by mining, likely have been in the Upper Hunter. The loss of these major investments to the Hunter is significant in terms of employment and economic contribution that has now gone elsewhere and, in the absence of clear Government signals and a commitment to follow through on commitments to protect our industry and allow it to expand, it clearly shows the perceived risk of investing in the Hunter Valley.

5. The Project

25. Broadly the Project is a continuation of the life of HVO North and South for a further period of 25 years and 15 years respectively until 2050 and 2045. HVO intends to mine an additional 400 mt of ROM coal through the extraction of coal from deeper seams at HVO North to "optimise" resource recovery and by mining through previously mined areas and through improved mine sequencing at HVOSouth.
26. It is also important to note that, contrary to the surrounding landscape being described as cattle grazing land, the Project is now creeping very close to the town of Jerrys Plains and the southern

gateway of the Thoroughbred Breeding Industry at Jerrys Plains, being some 3km from one of the Hunter's Equine CIC leading and pivotal studs, Coolmore Australia.

6. Comments on the EIS

The HTBA supports the findings and follow up work outlined in the Coolmore submission and provides the following additional comments:

Economics

27. A preliminary review of the Project suggests that:

- the benefits of the proposal are be overestimated;
- the externality impacts have been underestimated;
- the greenhouse gas impacts (Scope 1 and 2) are not estimated in a manner that reflects the full cost of the mine;
- Royalty benefit calculations will be sensitive to both coal price and production schedule assumptions;
- Company income tax may be over-stated, because it must be assumed that the mine would take such steps as are lawfully available to minimize tax;
- Other externalities, such as property values and the impacts on the ECIC have not been properly assessed and no impacts have been assumed, despite the fact that nearby residential properties, studs and the ECIC will be adversely affected by this proposal;
- the economic analysis presents no assessment of the legacy impact of the mine on water, heritage or NSW's ability to meet its greenhouse emission reduction targets;

28. The economic analysis suffers from "optimism bias" by underestimating the costs and overestimating the benefits in favour of the Project.

Mining

29. The Project is not "business as usual" as it seems to suggest to the reader.

30. The Project demonstrates substantial increases in mining intensity, particularly at HVO North, the extent of which has not been transparently disclosed and cannot be properly scrutinized and analysed.

31. The HTBA supports Coolmore's call for additional mining information (on production schedules, consistency of coal data, provision of equipment lists, the application of noise attenuation and particulate reduction technology) so that a proper and transparent assessment of the impacts of the Project can be determined.

32. On the basis of the information presented in the EIS, we have serious concerns about sustained and unaccounted for adverse impacts which have not been properly assessed or accounted for.

Air Quality

33. Air quality is a critical issue for all who live and work in proximate distance from the HVO operations.

34. Air quality and blast fumes cannot be confined by a ridge and are evident to all who live near the HVO operations. The Project will now bring these impacts closer to its neighbours and the town of Jerrys Plains.

35. By their own admission, the HVO acknowledges the Project will lead to air quality exceedances.

36. We already know that PM 10 and PM 2.5 air quality levels in the Upper Hunter either exceed or are close to current 24 hour NSW standards and annual concentrations.

37. The HVO submission identifies receptor 308 as having increased air quality impact risks and has been identified as qualifying for air quality acquisition rights.

38. This receptor is a clear indicator of the potential air quality impacts of the Project on Coolmore (situated only some 3km away from the HVO North operation).
39. Questionable baseline analysis (using 2014 as the baseline representative year); missing contemporary data sets (for 2021 and 2022); inadequate mitigation strategies (based on water and outdated practices); and assumptions of consistent ROM production annually which are contradicted elsewhere in the EIS, do not provide a credible basis for assessing and mitigating air quality impacts of the Project.
40. No proper cumulative air quality assessment has been undertaken.
41. Greenhouse gas emissions, Scope 1 and 2 (of 1.26 bt) are very significant and the costs have been underestimated as the Proponent has chosen not to use the National Greenhouse Account factor of 0.61t CO₂ equivalent/t ROM of 0.06.
42. No measures have been put forward to avoid or mitigate the impacts of Scope 2 emissions.
43. We understand that HVO will review greenhouse gas management technologies throughout the life of the mine. We would appreciate further information on HVO's approach to finding these technologies, selecting appropriate technologies and how HVO intends to implement them.

Can HVO also provide guidance on how the end users of their coal will prove their conformance to Paris Agreement or similar and how effective they are in logging their Scope 1 or Scope 2 emissions?

Water

44. HVO admits that the Project is in breach of the Aquifer Interference Policy. This unrectifiable breach should be reason alone to reject the Project.
45. Water quality security is critical to the wellbeing of our community and the functioning of our industry. It is our industry's lifeblood.
46. The EIS presents muddled and incomplete information or data sets, uses outdated baselines, and makes curious climatic and hydrological assumptions, which make it difficult to understand and assess the real water related impacts of the Project.
47. The Project presents unacceptable impacts and risks to the Hunter River, the Hunter River alluviums, to the water table, groundwater quality; groundwater levels at third party bores; and the interaction between ground and surface water and the impacts of this on groundwater dependent ecosystems.
48. HVO North and South Voids will be hyper saline; take about 1,000 years to "reach equilibrium" and remain an environmental hazard in perpetuity. This is a significant inter-generational legacy.
49. A comprehensive cumulative impact assessment on surface and ground water is missing.

Noise and Blasting

50. Noise, blasting and vibration are serious for those who live and work in close proximity to the Project.
51. HVO has acknowledged that the Project will result in noise exceedances. The increase in ambient noise levels during the night (of some 10 -15 dB) is serious and significant and warrants the ceasing of any operations before nightfall.
52. The Project is now located only some 3 km from Coolmore.
53. The clear impacts on Coolmore are indicated by the fact that HVO has identified that 6 new sensitive receptors near Jerrys Plains, currently not entitled to voluntary mitigation rights, will be directly affected by the Project's noise and blasting. 5 of those receptors are on Coolmore property, three of those locations house farm residents and their families.
54. This is an unacceptable risk and impact to one of our central players. And to answer the question of how close is too close, this fact alone demonstrates that this mine expansion is now too close.
55. No analysis has been conducted on the noise and blasting impact on horses. Any reader of the many submissions to previous PAC's will know that applying "human comfort" levels to assess the

impact of noise and blasting to thoroughbred horses (not to mention pet dogs or cats) is entirely inappropriate given their highly tuned instincts and sense of hearing.

56. A comprehensive cumulative impact assessment on noise is missing.

Visual Impacts

57. The Hunter's thoroughbred breeding industry is highly vulnerable to the threats of open cut mining, particularly visual impacts which are direct or indirect, static or dynamic.
58. The HVO Visual Impact Assessment does not address these visual impacts to Coolmore, or to staff and clients who may now have direct views of the mine's operations for a prolonged period of 25 years.
59. The HVO Visual Impact Assessment is deficient in its analysis, presents no photomontages, chooses view points that may conceal the extent of the visual impacts of this Project and completely ignores the sensitivity of the location to thoroughbred breeding activities.
60. The HTBA calls on the Proponent to provide further Visual Impact analysis which addresses these shortcomings so that a proper evaluation can be made on the actual visual impact of the Project.

Heritage

61. The Upper Hunter Valley is a cultural landscape with natural, Aboriginal and non-Aboriginal heritage values. These values are historic, aesthetic, social, spiritual and scientific—as well as both physical and non-physical. This reflects what is defined as 'cultural significance' under the Australia ICOMOS Burra Charter.
62. We note that the EIS states that there are 304 extant Aboriginal sites which were identified within the Project disturbance area. Of these 145 are in the additional disturbance area associated with the Project.
63. We question whether the evaluation of these sites has been undertaken in accordance with the ICOMOS Burra Charter and respectfully request further information on this issue.

Ecologically Sustainable Development

64. We respectfully submit that the Project does not conform with the principles of Ecologically Sustainable Development, particularly with respect to the precautionary principle, and intra and inter-generational equity.

7. Statutory Context

Strategic Statement on Coal Exploration and Mining in NSW

65. In addition to the guidance on coal exploration and mining, this policy statement also calls for balance, providing greater certainty to investors and the community, taking a responsible approach to transition, addressing community concerns about the impacts of coal mining, and supporting diversification.
66. The Hunter's thoroughbred breeding industry has been the backbone of the region, its largest and sustainable contributor for nearly 200 years. It has been promised protection. It is an important player in the transition away from coal mining, if it can be protected and allowed to expand and grow.
67. In our view, it is not appropriate to present this policy as unequivocal support for coal mining without also heeding the Government's messages on transition, balance, investment certainty, diversity and community concerns.

Strategic Regional Land Use Plan & Upper Hunter and The Hunter Regional Plan 2036

68. Both of these NSW policy documents outline strong commitments to protect and grow the Hunter's Equine Industry Cluster. Both also emphasise the importance of our industry to the future diversity and resilience of the region, to exports, jobs and growth potential.
69. In these policy documents, the Government commits to protect, expand and grow agricultural industries, particularly our own, and to enable the continued development of a world class Upper Hunter equine precinct.

NSW Government's Net Zero Emissions Plan

70. The NSW Government is committed to a 50% reduction in greenhouse gas emissions by 2030 and net zero by 2050.
71. It is not clear how this project, with such significant greenhouse gas emissions and no mitigation options, could comply with the NSW Government's policy.

Environmental Planning & Assessment Act 1979

72. Respectfully, we contend that this proposal fails key objects of the EP&A Act including:
 - promoting the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources - Object 1.3 (a);
 - facilitating ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment – Object 1.3 (b);
 - promoting the orderly and economic use and development of land – Object 1.3 (c);
 - protecting the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats – Object 1.3 (e);
 - promoting the sustainable management of built and cultural heritage (including Aboriginal cultural heritage) – Object 1.3 (f); and
 - providing increased opportunity for community participation in environmental planning and assessment – Object 1.3 (j).