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MOUNT PLEASANT MODIFICATION 3 ENVIRONMENTAL IMPACT ASSESSMENT – HUNTER THOROUGHBRED BREEDERS ASSOCIATION SUBMISSION

The Hunter Thoroughbred Breeders Association (HTBA) represents over 150 industry participants including thoroughbred breeders and suppliers of equine support services. The Hunter Valley's Thoroughbred Breeding Industry is Australia's premier multi-billion dollar breeding industry, representing over half of all thoroughbreds produced in Australia. It is Australia's largest producer, supplier and exporter of premium thoroughbreds and acknowledged as one of only three international centres of thoroughbred breeding excellence in the world. It is an important employer of hundreds of thousands Australians (directly and indirectly) throughout our value chain regionally, in NSW and across the nation.

HTBA objects to the Mount Pleasant modification proposal for the reasons outlined in this submission.

The Thoroughbred Breeding Industry

The Hunter Valley's Thoroughbred Breeding Industry is 1 of only 3 Thoroughbred Breeding Centres of Excellence in the world alongside Kentucky in the USA and Newmarket in the UK. This in itself is an important fact attesting to the international and national significance of the industry.

The industry is vertically integrated, interdependent and concentrated in a critical mass in the Upper Hunter Valley. It contributes over \$5billion to the national GDP and \$2.6 billion to NSW economy every year. It is a significant regional, state and national industry and employer and the largest agricultural industry and employer in the Hunter Valley¹.

The impacts of this proposed mine (direct and indirect, static and dynamic) will impact the nearby towns of Muswellbrook and Aberdeen, the local landscape and topography, adding to the cumulative impacts of mining in this area, including its environment, character and reputation.

The global thoroughbred breeding industry is extremely 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, locality and throughout every acre of the stud's operation.

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 the champions of the future.

Many studs and broodmare farms, including Godolphin's Kelvinside stud farm, are located in the Upper Hunter Valley, including the Segenhoe Valley, where all of the above characteristics are present. Any threat to this environment (perceived or real) will threaten the fundamental basis of the business model upon which this industry is based.

¹ See also IER 2014 Report *Size and Scope of the NSW Racing Industry*, commissioned by the NSW Government
http://www.olgr.nsw.gov.au/pdfs/racing/NSWRacingStudy_lowres.pdf

Five (5) previous PACs have recognised the vulnerability of the industry to the threat of mining² with a recent PAC³ recommending appropriate protections be put in place to safeguard our important industry (including through appropriate buffers, exclusion zones or preservation orders).

Attachment 1 to this submission provides more detail on our industry and its history in the Hunter Valley of which the Department is aware.

Mount Pleasant Modification

The Mount Pleasant mine proposal was granted a Development Consent in 1999 for a 21 year period, until 2020. We question the current validity of this consent and understand that there is a challenge to its validity before the Land and Environment Court. Given this challenge we also question the appropriateness of proceeding with an assessment relating to the modification of a proposal which is the subject of an unresolved challenge.

From a merit assessment prospective HTBA objects to the Mount Pleasant modification proposal given the potential and significant impacts this proposal will have on:

1. the Upper Hunter's water systems which are the lifeblood of the Upper Hunter's agricultural industries, including the equine industry;
2. the reputation, operation and future of the Upper Hunter's equine critical industry cluster – particularly those operations that are located in the vicinity including those that are the gateway to the critical cluster operations in the Segenhoe Valley;
3. air, noise, dust and other mining impacts in the Upper Hunter and the lack of appropriate cumulative environmental and mining assessments undertaken with respect to this proposal;
4. air and noise exceedances, conceded by the Proponent, and the impacts of those exceedances on the town of Muswellbrook and the health and wellbeing of the local community;
5. the serious and irreversible impacts on Aboriginal and non-Aboriginal heritage associated with this mining application;
6. Strategic Agricultural lands (including biophysical strategic agricultural land "BSAL") and the equine and wine critical industry clusters
7. visual amenity for the local community, particularly given its close proximity to the town of Muswellbrook, for the equine and wine critical industry clusters and tourism (both current and future).

1999 Commission of Inquiry

We note that the consent conditions recommended by the Commission of Inquiry in May 1999 were comprehensive and stringent recognizing that the *"legitimate rights of residents must be protected."*⁴ The Commission of Inquiry also noted that *"the opportunity to exploit loopholes in consent conditions, interpretation of results and to avoid obligations for compliance and acquisition of adversely affected properties must be negated."* *"There should be no ambiguity or opportunity to dismiss exceedances by application or confusion of "interpretation" or "statistical manipulation"."*⁵

² Bickham Coal Project, Review PAC (2010); Drayton South Review PAC (2013); Drayton South Determination PAC (2014); Drayton South Review PAC (2016); Drayton South Determination PAC (2017).

³ Drayton South Review PAC (2016).

⁴ Proposed Mount Pleasant Open Cut Coal Mine, Report to the Honourable Dr Andrew Refshauge, Commission of Inquiry May 1999, p 62

⁵ Ibid, p 62



Conclusion

It is remarkable that a proposal, which is aimed at project execution and with a vigorous completion schedule, lacks appropriate final design information and appropriate impact assessments in significant areas (including the mine plan, water management, air and noise quality and visual amenity) to enable appropriate assessments to be undertaken – either by the Department or the affected community. This is a significant omission and concern and one that should be rectified by the Department through the requirement of a comprehensive environmental impact assessment to be undertaken that reflects today's environment, community standards and government policies.

Based on the information submitted with the proposed modification application, preliminary assessments reveal that there are significant omissions in analysis and risks associated with a mine in this location. Preliminary assessment of the impacts of this proposal suggest that the risks have been understated while the benefits have not been subjected to any form of re-examination and are likely to be overstated. Further the presentation of proposed rehabilitation is overly optimistic and lacks credibility given the potential for future modification applications and future mine creep. Information on the environmental risks identified to date is at Attachment 1 to this submission.

We are concerned that this proposal does not reflect the true or future intentions of the Proponent and we therefore have no confidence in this assessment. These concerns add further weight to the need to reject this proposal.

The HTBA submits that given no mining has taken place on the Mount Pleasant site to date, the Mount Pleasant mine should be considered and evaluated as a new greenfield development in an area which is already impacted by a number of existing mining operations.

The proposal to modify the Mount Pleasant mine should be rejected and a new application for a mine on this site should be submitted and accompanied by a comprehensive environmental impact assessment reflecting cumulative mining, socio-economic and environmental impacts in accordance with present-day environmental best practice standards, Government policies and community attitudes.

Yours sincerely



Dr Cameron Collins
President



MOUNT PLEASANT MODIFICATION 3 - ENVIRONMENTAL ASSESSMENT

The HTBA opposes this modification on the basis of preliminary advice, which reveals that the:

- **Air quality impacts of this proposal are unacceptable.** They:
 - have not been appropriately assessed – particularly with respect to PM 2.5;
 - raise significant questions and concerns about the Proponent’s dust mitigation strategies;
 - will lead to exceedences in both PM 2.5 and PM 10 concentrations - affecting the health of the community and the operational productivity of surrounding mines.
- **Noise and blasting analysis deficient and incomplete.** The noise and blasting analysis:
 - is deficient, uses non-specified information and outdated data and software which is either difficult or impossible to examine and assess;
 - fails to define sources of background noise measurements again making it difficult to assess and examine the full impacts of the proposal;
 - fails to assess noise impacts in line with contemporary guidelines, standards and practices and is non-compliant with noise guidelines;
 - fails to provide sufficient supporting information for assessments of low frequency noise and its management to be examined;
 - presents noise modeling which is incomplete and has not been calibrated for current location conditions;
 - fails to assess the noise and blasting impacts on humans and livestock.
- **Water Management assessment misrepresents groundwater and surface water impacts and contradicts the 1997 EIS.** It:
 - misrepresents the coal rejects emplacements as “unchanged” when in fact they have changed significantly since the 1997 EIS;
 - misrepresents the impacts of the modification to groundwater and surface water impacts of this modification which have changed significantly as a result of changes to environmental dams (now sedimentation dams); reject area mine water management; changes in design criteria for environmental dams 2 and 3; and a complete lack of final detailed design information as per the notes to Figure 8;
 - makes statements which are the antithesis of those made in the 1997 EIS regarding dams and storage areas which were originally not intended to be water retaining structures (in 1997) and which are now to be built to “minimise stormwater storage”;
 - provides confusing and contradictory information depicting a single rejects storage wall in Figure 5 which is different to the layout shown in Figure 3 which is a layout for a multiple reject storage wall;
 - presents stability risks when compared to and as defined in the 1997 EIS coal fine reject storage;
 - fails to provide information on the new single rejects storage wall;
 - fundamentally changes the functions of the rejects storage walls as a result of the proposed modified rejects emplacement plan;
 - raises serious concerns regarding fines emplacement area’s impacts on environmental dams and planned spills to Sandy Creek in direct contradiction to the intentions outlined in the 1997 EIS.
- **Mine plan for the modification is also manifestly deficient.** It:
 - does not present appropriate information regarding final design plans;
 - understates the impacts on water management;
 - does little to minimise the impacts of the Fines Emplacement Area;
 - understates the equipment numbers and raises serious questions on the consequent validity of the noise modeling;
 - fails to minimise voids in line with best practice guidelines; and
 - fails to minimise disturbed areas for fines reject;



- raises serious questions regarding proposed rehabilitation of the site; and
- risks increasing water impacts on downstream users from the fine rejects emplacement area.
- **Aboriginal and Non-Aboriginal Heritage impacts have not been properly assessed and could be irreversible.** The assessment:
 - fails to provide an adequate description and assessment of Aboriginal heritage values, including assessment of intangible sites, social values, and cumulative impacts resulting from mining in the Valley;
 - fails to identify and assess historical and cultural landscape settings that surround key non-Aboriginal heritage sites including the Berrywood Homestead and Rosebrook quarry;
 - is deficient in providing supporting technical assessment of non-Aboriginal heritage impacts of the proposed mine and does not meet appropriate heritage guidelines and standards nor does it describe appropriate management strategies which allows the informed assessment of the impacts of this mine on Aboriginal and non-Aboriginal heritage, including impacts on historic, social, aesthetic and intangible values;
 - raises serious risks which cannot be remediated post mining.
- **Visual Impact analysis is incomplete and deficient.** It:
 - presents conflicting information (including viewpoints) to that presented in the 1997 EIS which makes assessing this modification difficult for both the Department and the community;
 - fails to consider dynamic and indirect visual impacts of the proposal which are anticipated to be significant given the closer proximity of the proposed mine to townships, key transport routes (New England Highway and Denman Road) and nearby rural landholders;
 - fails to assess the visual impact from Aberdeen which is in an elevated position, will have extensive views over the floodplains and experience large numbers of local and regional traffic and traffic from tourism;
 - lacks appropriate information to adequately assess the visual impacts of the mine over time;
 - presents overly optimistic information on the transition from active mining to fully rehabilitated landforms (from 2015 to 2016);
 - accepts that the proposal's waste emplacement and mining areas will be in closer proximity and more visible to residents on the floodplains;
 - fails to recognise the importance of and visual risks associated with the proposed mine on the Hunter River Valley landscape, towns, and local area in terms of its scenic quality, its agricultural landscape, importance for tourism and local residents' amenity.
- **Analysis of Strategic Agricultural Lands (including BSAL) is inadequate.** The proposal:
 - fails to assess the impacts of this proposed mine on the equine critical industry cluster; and
 - presents incomplete information to enable an informed assessment of the BSAL impacts of the proposal.



ATTACHMENT 1

THE HUNTER VALLEY'S THOROUGHBRED BREEDING INDUSTRY

The Hunter Valley's multi-billion dollar Thoroughbred Breeding Industry is a nationally and internationally significant industry. It has evolved over nearly 200 years and has gained critical mass and international prominence over the last thirty years. It is the heartland of Australia's national Thoroughbred Breeding Industry and is one of three international Centres of Excellence (alongside Kentucky in the USA and Newmarket in the UK).

The Hunter Valley's rich history of breeding Thoroughbred Champions has attracted significant domestic and international investment and a concentration of Thoroughbred Breeding support industries making the Hunter Valley the envy of our domestic and international competitors.

The Hunter Valley holds the second largest concentration of horse studs in the world, outside Kentucky in the USA. It produces approximately half of all Thoroughbred horses born annually in Australia and represents nearly 70% of all Australian Thoroughbred horse exports. It is a world recognised and major national and international source of Group 1 winners (the equine equivalent of Olympic Gold Medal winners).

Our industry is based on access to clean water, clean air and topography that blends rich valley pastures for lactating mares and their foals and more testing, rugged terrain for the development of young thoroughbred lungs and limbs. Clean air and water supplies are critical to our industry and our clean, green and serene, Thoroughbred champion-producing character and reputation.

The major Thoroughbred Breeding players in the Hunter Valley 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 our world-class Thoroughbred Breeding Industry.

Our industry underpins the business operations of regional thoroughbred breeding related industries. Approximately 85% of capital expenditure by the Thoroughbred Breeding Industry is spent within the Hunter Valley region. The largest equine hospital in the Southern Hemisphere, the Scone Equine Hospital, provides world class veterinary services and research and provides veterinary care for 90% of the stud farms in the area. It is located in Scone because of the critical mass of Thoroughbred breeding operations in the region.

The Hunter Valley's Thoroughbred Breeding Industry generates and supports over 5,000 jobs in the region and hundreds of thousands of jobs across the nation. It has been acknowledged that the horse racing and breeding industry is one of the largest employers in Australia, supporting over 200,000 direct and indirect employees, participants and volunteers.

Thoroughbred Investments in the Hunter Valley

Major investments in world-class Thoroughbred Breeding have been made in the Hunter Valley by significant international and domestic investors.

The largest Australian-owned thoroughbred breeder, Arrowfield, the Irish conglomerate, Coolmore, and Dubai's Godolphin stud farms, the Australian owned Vinery stud, the Japanese Yoshida and Northern Farm, the Malaysian Kia Ora stud are just a few examples of major Australian and international investors locating their Thoroughbred Breeding operations in the Upper Hunter Valley because it is a Centre of Excellence with a critical mass of Thoroughbred Breeding operations, world-leading support services and a unique environment.



The major international operators have multi-regional operations. Their Hunter Valley businesses are a key element of their international breeding operations. They have invested many billions of dollars in establishing their properties, operations, bloodstock and supporting infrastructure.

Should the operating environment significantly alter, these major international investors could choose to relocate their operations (especially their stallions) to any one of their other major international regional centers. Any dislocation would not only affect international investors but would flow through to Australian investments in the area as prime Thoroughbred Breeding stock and broodmare farms respond to any depletion in the stud farms.

The Australian Industry – Structure and Economic Significance

Overall the Hunter Valley's major stud farms support over 100 broodmare farms and a sophisticated network of support industries – including veterinarians, farriers, horse transport companies, veterinary laboratories, feed merchants, lucerne growers, horse breakers, agronomists, irrigation specialists, saddlers, catering and hospitality industries. It also supports equine auction houses such as Magic Millions and Inglis.

The Hunter Valley Thoroughbred Breeding Industry is interconnected and inextricably linked to the NSW Racing Industry (insert cross ownership stat). It is also internationally recognized as a centre of excellence and respected as a producer of premier Australian thoroughbred and world thoroughbred champions.

The dislocation of the Hunter Valley's major investors would have devastating effects upon the entire value chain, the reputation of the Hunter Valley as a national and international breeding centre of excellence and the fabric the Hunter Valley's regional economy.

Over the past two decades there has been a significant increase in the number of Australian thoroughbred horses exported to Hong Kong, Singapore and Malaysia. China is set to become a major international player. China's growing interest in horse racing and breeding is driving strong growth in the demand for imported horses – making China an important potential market for Australia. The Hunter Valley is well placed to service China's growing interest in horse breeding and racing. The potential to service the growing Chinese market will result in significant benefits for Australian thoroughbred breeders, the economy and jobs – particularly in the Hunter Valley. The increasing quantity of thoroughbred horses being exported reflects the demand for, and reputation of, Australian race winning thoroughbreds.

Australian Centre of National and International Significance

The Upper Hunter is referred to as the "Horse Capital of Australia". It has the second largest concentration of horse studs in the world, outside Kentucky USA.

The Upper Hunter Valley horse studs produce around half of all thoroughbred horses born annually in Australia and are nationally and internationally acknowledged for breeding quality horses and one of the three major thoroughbred nurseries in the world (along with Bluegrass in Kentucky USA and Newmarket in the UK).

The majority of yearlings sold at the major Australian sales (such as Magic Millions and Inglis) were produced in the Hunter Valley. The prices paid for premier yearlings from the Hunter Valley reinforce the Valley's reputation for breeding high quality thoroughbred horses of international standing.



The Hunter's stallion stud farms support over 100 broodmare farms and a network of support industries throughout the Hunter Valley. This concentration of Thoroughbred Breeding operations in the Hunter Valley has attracted other state-of-the-art equine operations, **which would not be located in the Hunter but for the existence of its world class Thoroughbred Breeding Industry.**

The Scone Equine Hospital, is the largest equine hospital in the Southern Hemisphere. It employs over 100 staff, including 30 qualified veterinarians, 5 Specialists and some 70 support staff. The Scone Equine Hospital operates a 24 hour surgical and intensive care facility. It is a major employer of professional staff in rural NSW and the surgical and intensive care facilities are major referral centers for local, state and interstate veterinarians.

The Scone Equine Hospital's research outcomes deliver world-first advancements in equine care with major domestic and international benefits. In addition the Scone Equine Hospital provides training for up to 40 veterinary students and annually and plays an active role in the training of 60 veterinary nurses each year at the local TAFE.

Scone's Equine Hospital provides primary veterinary care for the thoroughbred breeding industries in the area. Its business almost entirely (90%) dependent on the thoroughbred breeding industry. The Scone Equine Hospital's fate is therefore inextricably tied to the fate and future of the Hunter's Thoroughbred Breeding industry. The Hospital's future investment to develop a state of the art equine hospital is on hold given the level of uncertainty resulting from this and other mining projects in the Upper Hunter.

Scone has a world-class equine research, training and education centre, the **Hunter Valley Equine Research Centre**, which was founded in 1999 to foster and support equine research in Australia, including developing effective diagnosis and prevention technologies for all horse diseases.

The Scone Cup is the richest Country Cup meeting in Australia and is held as part of the **Scone and Upper Hunter Horse Festival** held each Autumn. It regularly attracts some 10,000 visitors to the region. The **Thoroughbred Breeding Stallion Parades**, held in the last weekend in August also annually, attract some 5,000 – 10,000 visitors, clients and investors to the area. These events are an important part of the economic, cultural and social fabric of the Hunter. They attract significant tourism to the region and reinforce the Hunter as the Horse Capital of Australia.

Australian Stock Horse Society is headquartered in Scone. Established in 1971, it is the largest of more than 70 horse breeding associations in Australia – with more than 66 branches. Some 10,000 individual members and over 165,000 nationally and internationally registered horses. The Society's purpose is to preserve the bloodlines of the Australian Stock Horse and promote the breed domestically and internationally.



HUNTER VALLEY THOROUGHBRED BREEDING INDUSTRY ECONOMIC SIGNIFICANCE

Internationally Significant	
1 of 3	International Centres of Thoroughbred Breeding Excellence in the World – alongside Kentucky in the USA and Newmarket in the UK
Largest	Concentration of thoroughbred studs in the world outside Kentucky USA
Largest	Australian producer & supplier of premium thoroughbreds
Largest	Australian exporter of premium thoroughbreds, representing:
• 80.35%	Imports from Australia to New Zealand
• 58.65%	Imports from Australia to the Philippines
• 51.63%	Imports from Australia to Macau
• 43.54%	Imports from Australia to Malaysia
• 38.83%	Imports from Australia to Hong Kong
Nationally significant	
\$5b	Contribution to national GDP annually
230,000	Jobs generated and sustained nation wide
State Significant	
\$2.6b	Contribution to NSW economy annually
53,696	People employed or participating in thoroughbred breeding and racing in NSW
34,000	People directly involved in breeding, racing or training in NSW
21,837	Thoroughbred owners in NSW
134	Racing Clubs in NSW
\$175m	Investment in NSW Racing infrastructure underpinned by the quality of bloodstock & racing product produced in the NSW Hunter Valley



HUNTER VALLEY THOROUGHBRED BREEDING INDUSTRY REGIONAL SIGNIFICANCE

Regionally Significant	
55% +	Of the \$2.6b total value added occurs in regional NSW
Largest	Agricultural industry in the Hunter Valley:
2 times	The value of irrigated agriculture
4.5 times	The value of dairy
10 times	The value of meat and cattle
200	Stallion and Broodmare farms
Sophisticated	Network of equine support industries dependent on Hunter Valley stud farms – including farriers, fodder producers, saddlers, equine transport companies and the Southern Hemisphere's largest equine veterinary practice, Scone Equine Hospital
Significant Regional Employer	
42,586	Employees and participants in regional NSW:
• 5,745	in the Hunter
• 10,159	in Sydney
• 5,633	in Western Sydney
• 9,693	in Mid North Coast, Central Coast, Illawarra, Southern Inland and South Coast
• 11,356	throughout the rest of regional NSW
Significant Regional Investor	
\$5b +	Invested in the Hunter Valley's thoroughbred breeding industry in the past 10 years (and rising)



Hunter At A Glance	
470	Breeders
5, 745	Employees and Participants*
6	Race Clubs
78	Race Meetings – including the only Saturday Stand Alone meeting in regional Australia
595	Races
3,080	Racing Club Members
100,416	Attendances
\$564.6m	Value added injected in the local economy by the thoroughbred breeding & racing industry
Sydney At A Glance	
10,159	Employees and Participants
3	Race Clubs
66	Race Meetings
494	Races
7,550	Racing Club Members
291, 858	Attendances
\$11.1 billion	Value added injected into the economy by the thoroughbred breeding & racing industry
Western Sydney At A Glance	
5, 633	Employees and Participants
1	Race Club
76	Race Meetings
392	Races
8,149	Racing Club Members
237, 411	Attendances
\$321.9 million	Value added injected into the Western Sydney by the thoroughbred breeding & racing industry

* Participants are the lifeblood of the industry. They provide investment, time, skills and passion that underpins the horse racing industry in the State.

SOURCE: IER Pty Ltd Report 2006; IER Pty Ltd Report 2014, Marsden Jacob Associates Report 2014, Australian Stud Book.

