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Transmission via Major Projects – NSW Planning Portal

24 September 2019

Dear Sir,

**RE: MAXWELL UNDERGROUND COAL MINE PROJECT SSD-9526 – ENVIRONMENTAL IMPACT STATEMENT**

This is the tenth submission in six years since 2013 that Godolphin Australia Pty Ltd (Godolphin) has made on mining proposals on the Drayton South site (now known as “Maxwell”), directly across the road from our Woodlands Stud (Woodlands) operation in the Upper Hunter.

Woodland is located on the Golden Highway between Denman and Jerrys Plains. It is situated on strategic agricultural land in the Equine Critical Industry Cluster in the Upper Hunter Valley.

Malabar Coal states that the “Maxwell” underground coal proposal on the former Drayton South site will have a mine life of 26 years, operate 24 hours a day 7 days a week, to extract up to 8 million tonnes of Run of Mine coal per annum.

Based on our initial evaluation of the information contained in Malabar Coal’s Environmental Impact Statement (EIS), the limited nature of supporting information, the limited time available, and given the potentially serious impacts of the proposal on air quality, water, noise and blasting, Godolphin has little choice other than to lodge an objection in order to ensure a comprehensive, independent and transparent examination, testing and evaluation of the application.

Based on the impediments imposed on our operations, resources and finances relating to mining proposals on this one site alone, we are confident that we speak on behalf of our management, employees, clients and suppliers, when we (and mining companies and their employees) need certainty so that we can plan and invest in our future with confidence.

Our operations and industry are predicated on producing champion athletes in a clean, green and serene environment. Our business model is particularly vulnerable to threats to our environment, image and reputation – all impacting on client perceptions and expectations.

For the past decade (and indeed many decades longer if exploration licences are taken into account) we have had no investment certainty, no planning certainty and the Upper Hunter has been vulnerable to lost investment and employment generating opportunities to our rivals interstate and overseas.

This is an untenable and unsustainable situation, which must be remedied if Governments are serious about regional economic resilience and diversity, transition, and delivering on their policies and commitments to protect our state significant industry.

### **History of Thoroughbred Breeding in Hunter Valley**

Thoroughbred breeding has a long and distinguished history in the Hunter Valley dating from the early 1820's when both the Woodlands and now Coolmore studs were first surveyed and established as thoroughbred breeding studs.

Both studs have had a long, continuous and uninterrupted history of thoroughbred breeding since that date. They are pivotal to the entire Upper Hunter Equine Critical Industry Cluster (Equine CIC) and to the region's recognition as the Horse Capital of Australia and one of only 3 international centres of thoroughbred breeding excellence in the world (alongside Kentucky in the USA and Newmarket in the UK).

Five previous Planning Assessment Commissions (PACs) and the NSW Gateway Panel have recognised the importance of the Upper Hunter's Equine CIC; the central role Godolphin and Coolmore play in the Equine CIC; the need to afford the two studs the highest levels of protection; and the need for appropriate buffers, zoning or preservation measures to protect the Equine CIC from incompatible development – such as mining.

### **Godolphin**

Godolphin is HH Sheikh Mohammed bin Rashid Al Maktoum's global breeding business which operates around the world, including Australia's Hunter Valley, Newmarket in the UK, County Kildare in Ireland, Kentucky USA and Hokkaido, Japan. HH Sheikh Mohammed is ruler of Dubai and Vice President of the United Arab Emirates.

### Largest Australian Breeding and Racing Operation

Godolphin is the largest integrated breeding and racing operation in Australia.

Godolphin established its commercial breeding operation in the Hunter Valley in 2001 (trading under the Darley Australia name) in recognition of Australia's growing force in international thoroughbred breeding and racing.

In 2003 we purchased the 1,700-acre Kelvinside Stud in Aberdeen in the Hunter Valley. The property has since been developed into a world-class facility with capacity to stand 17 stallions, comprehensive mare, racehorse spelling and rehabilitation and yearling facilities and a world class education and training operation.

In 2008 we also purchased Australia's then largest integrated breeding and racing operation, Ingham Bloodstock, which included the 6,500-acre Woodlands Stud at Denman. In addition to its Hunter Valley farms, Godolphin operates a Victorian breeding operation from its stud Northwood Park, at Seymour Victoria.

Our Kelvinside and Woodlands properties operate as one integrated operation in the Hunter Valley. A vital link between these is Ederton Road, which will be impacted by this Application.

Godolphin owns in excess of 1,000 horses with over 400 horses in training or racing from its two training bases in Warwick Farm and Agnes Banks (Western Sydney), and a Victorian training base at Flemington racecourse in Melbourne, Victoria.

Godolphin's business model is to "breed to race and race to breed". All of its progeny are bred from the finest thoroughbred bloodlines, building their reputation and credentials on the race track and retired to stud to produce future elite athletes of the turf.

Godolphin employs some 350 people in its Australian breeding, training and racing operations across six facilities in NSW and Victoria, including over 150 in the Hunter Valley across its two stud farms. These include horse handlers, bloodstock experts, gardeners, and others working in corporate functions including administration, finance, human resources, IT, and marketing and sales.

Godolphin hosts over 4,000 clients and visitors annually to our stud farms at Kelvinside and Woodlands.

During the Southern Hemisphere breeding season (September to December) the value of bloodstock under Godolphin's stewardship is in the order of \$250 million, with in excess of \$200 million located in the Hunter Valley. This Breeding Season

(commencing 1 September 2019) our stallions are expected to serve some 2000 mares, who will in turn produce the next foal crop for the industry.

Jointly with Coolmore Australia, our thoroughbred progeny represent in excess of 50 per cent of Australia's thoroughbred breeding market, progeny presented at national auction sales and progeny racing across Australia's eastern seaboard.

#### Historic Continuous Operation Since 1800's

The Kelvinside property has a rich and continuous pastoral history since the 1800's. It was carved from the Segenhoe Estate in the late 1800's by John King Fleming who named it Kelvinside after a property in Scotland. The Kelvinside homestead was built in 1898, is one of the iconic historic homesteads of the district and is a classic example of Australian colonial architecture. The building is set on high ground with views of the Hunter and Pages rivers.

The Woodlands has a proud uninterrupted history of thoroughbred breeding dating back to the 1800's. The property 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 by notable industry participants including George Ryder (founder of the Golden Slipper), Lord Derby and the Ingham brothers.

Champion Sires that have graced Woodlands include Yeats, Canny Lad and Lonhro. Champion racehorses reared at Woodlands include Octagonal, Golden Slipper winner Marscay, and notably Golden Slipper winners and Champion 3 year olds Pierro and Sepoy. Australia's and the world's champion racehorse Winx was sired by Darley's champion sire Street Cry and raised next door at the Coolmore stud.

Woodlands remains one of two international scale thoroughbred breeding operations in the Jerrys Plains/Denman area in the Hunter Valley. It is one of over 150 thoroughbred breeding farms and supplier companies located in the Hunter Valley's critical concentration of thoroughbred breeding and support operations.

#### **The Maxwell Environmental Impact Statement**

Based on Malabar's EIS, the volume of material contained in that EIS, the limited nature of that information and the relatively short timeframe allowed to assess the EIS stipulated by the public exhibition period, at what is the busiest time of the year

for our operations, we largely defer to and support the Hunter Thoroughbred Breeders' Association (HTBA) analysis of the impacts of this proposal.

We would, however, like to highlight particular concerns that have the potential to significantly impact our operations.

As mentioned earlier, reputation, fundamentally including a “clean, green and serene” environment is critical to our business and to the industry’s business model – domestically and internationally.

Given this, we take a conservative, precautionary approach to the application.

To illustrate the importance of the environmental setting in which we operate, we draw your attention the findings of the Drayton South PAC (2015 p 34) which, inter alia, found (emphasis added):

*“The studs are designed to demonstrate high standards of thoroughbred racehorse production and management in a manicured and cultured landscape that is intended to create an image of quality, safety and luxury conditions for the horses, as well as a display of state of the art breeding environments in a scenic setting. Attributes of the image **include clear water, clean air, productive soils, greenness, expansive views and intensive and meticulous attention to detail of almost every visible feature.** The sense of the places is that they are deceptively bucolic but are in fact intensively planned, designed, managed and programmed to generate a predictable and high quality product in a setting that projects the image of international thoroughbred breeding underpinning the horse racing industry. All of the world’s premiere thoroughbred breeding areas project similar combinations of imagery in their somewhat different physical environments (e.g., Newmarket and Kentucky).”*

#### Dust emissions and air quality

Dust emissions and air quality therefore are critical concerns for our operations given this business model. Any adverse impacts resulting in increases in dust deposition or the further worsening of the area’s air quality will severely affect our business and reputation. The proposal should therefore be judged, not by the “Project Alone”, but against existing mine impacts, current air quality levels in the Upper Hunter and its cumulative effects.

#### Surface and Groundwater

The importance of the Upper Hunter’s surface and groundwater water systems to our industry and operations is well documented and has been highlighted by previous PACs.

A cursory examination of the location of studs and broodmare farms in the Upper Hunter will clearly show the close location of thoroughbred operations to these water sources and their tributaries.

The Hunter River crosses our Woodlands stud farm. Saddlers Creek, after leaving the Maxwell footprint is a boundary to Woodlands and enters the Hunter upstream from our farm. Any deleterious impacts (short or long term, current and future) on water quality and quantity will have significant impacts on our operations, business model and reputation. These concerns are further heightened during prolonged periods of drought as we are currently and more frequently experiencing.

The mere fact that the mine will be underground is of itself no complete answer. Indeed, the EIS we understand recognises that subsidence will have an effect yet doesn't adequately deal with that effect.

Concerns were raised by the Independent Expert Scientific Committee (IESC) at the time of the Gateway process, and it is our understanding that these concerns have not been or have not adequately been addressed. These include IESC concerns regarding model confidence levels.

This is a highly complex and critical area for inquiry. Based on preliminary advice, Malabar Coal's assessment of its proposal's surface and groundwater impacts is not immediately transparent, cannot be confidently scrutinised and does not adequately address concerns raised by the IESC.

### Noise and Blasting

The impacts of noise and blasting during at least the first 3 years of Malabar's construction period (or indeed at any other time during the mine's life) are particularly concerning as they have the potential to place the wellbeing of our employees and our livestock at risk, disrupt our operations, and damage our reputation. The EIS does not rule out the potential for blasting beyond the construction phase, although that has been the Proponent's suggested position.

Both our Woodlands and Kelvinside studs in the Upper Hunter house communities of our employees and their families. These are not "clock on clock off farms". Many of our employees and their families permanently reside on our farms, and care for livestock on the farm, including on a 24/7 basis particularly during the breeding season.

Woodlands operates as an equine "maternity ward". It is where the Godolphin broodmares are located and "foal down" (i.e. prepare for and give birth to their foals). It is also where stallions can be housed should that be deemed necessary.

Horses are flight creatures. They are particularly sensitive to sudden noise, and blasting. Noise and blasting has the potential to place both valuable livestock and our employees who handle them at risk.

Previous PACs have accepted that blasting could represent a risk to our operations, which could be significantly compounded by potential reputational, image and branding impacts that could occur with the perception of risk to valuable stock – with the evidence of blasting that would be apparent to any visitors to the site or travelling in the vicinity of the site. Ceasing all horse handling operations in preparation for blasting events were acknowledged by previous PACs (e.g. 2015, p41) as significantly intrusive to the operations of studs. These types of issues have not been adequately addressed, including potential future blasting events beyond the construction period. Indeed, a serious analysis of the impacts of blasting to the nearby thoroughbred operations has not been undertaken.

#### Other Comments

Finally, as a matter of principle, we concur with the HTBA that all EIS' should contain sufficient supporting information to enable the reader to properly, assess and make informed comments on the EIS and whether the proposal is in the public interest.

Where that does not occur, as it heightens the need for comprehensive examination by the Independent Planning Commission.

We note and concur with recent Independent Planning Commission decisions on the Dartbrook Underground Coal Mine Modification 7 and the Bylong Coal Project, (Greenfield Open Cut and Underground Coal Mine proposal) which recognised the principles of Ecologically Sustainable Development, in particular intergenerational equity.

Yours sincerely



Ross Cole

Director of Corporate Services  
Godolphin Australia Pty Ltd