



Tattersalls

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28th March 2014

Premier and NSW Ministers
Parliament House
Macquarie St
Sydney NSW 2000

Dear Sirs,

RE: Anglo American Drayton South Open Cut Mining Proposal

It has been brought to my attention that thoroughbred breeders in the New South Wales Hunter Valley are fighting to save their region from the encroachment of open cut coal mining. I am therefore writing, in my capacity as Chairman of Tattersalls UK and Tattersalls Ireland, not only to outline the importance of the Hunter Valley thoroughbred industry to the wider international racing and bloodstock community, but also to highlight those factors which have a bearing upon the confidence of investors to continue to finance the growth of this critical industry.

I understand that the Planning Assessment Commission has released its initial report, in which it has advised the New South Wales Government that the Drayton South mining development which it is currently assessing, poses an immense threat to the livelihood of the Hunter Valley thoroughbred industry. As the home of Australia's multi-billion dollar thoroughbred breeding industry, with the second largest concentration of thoroughbred studs in the world (second only to Kentucky in the USA), the Hunter Valley is home to a fully integrated, sustainable industry that is on a par with Newmarket here in the UK, Ireland or the Waikato Valley in New Zealand. With exports of over \$750 million to 24 countries around the world, including Great Britain and Ireland, not to mention the USA, New Zealand, Hong Kong, Singapore, South Africa and Malaysia, the reputation of the Australian-bred horse grows exponentially each year, with more Australian thoroughbred horses than ever now being exported into the worldwide bloodstock and racing markets.

EDMOND MAHONY (CHAIRMAN)

ANDREW BEDFORD · JAMES GEORGE · PAUL RYAN · PATRICK WATT

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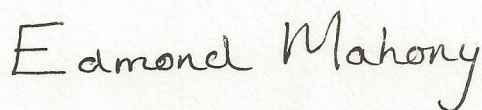
There can be no dispute as to the significance of the Australian thoroughbred breeding industry on the international stage. Bearing in mind that it is acknowledged that the Hunter Valley is the benchmark for Australia's national breeding industry, the significance of this region being able to offer a natural environment commensurate with the excellence of its facilities, and comparable to that offered by competing breeding centres around the world, cannot be overestimated.

Those of us who operate within the international bloodstock industry are acutely aware that many of the key players with the greatest investment in this industry are international/global investors who inject substantial funds into the local economies where they choose to invest. Spending by the owners of bloodstock may by its nature be discretionary, but it cannot be taken for granted, and any deterioration in the quality of the environment offered to the world class bloodstock they own will ultimately lead to an inevitable process of decline and disinvestment.

The international thoroughbred breeding industry's remarkable durability, of which Australia is a key player, has derived from the extent of investment which it receives from those who are relatively immune from the effects of the economic downturn. It is precisely these companies and individuals whose continued investment would be jeopardised if the absolutely necessary criteria for the successful production of high quality thoroughbreds – pristine air, land and water quality, and visual amenity – are in any way diminished. It is clear that these conditions, which are necessary to support the successful continuation of the valuable national and international economic activity derived from the Hunter Valley's thoroughbred breeding industry, would be seriously affected by the proposed Drayton South development.

It goes without saying that the Hunter Valley is a very special place, and planning its future is no doubt challenging and places a significant responsibility upon the New South Wales Government to achieve a series of outcomes which will not threaten the long-term vitality and viability of its thoroughbred breeding industry. I would be grateful therefore, if you could place on record my view, as a member of the international bloodstock community, that these proposals, which are unsustainable and would seriously harm a nationally and internationally renowned region and industry thereby threatening its future growth prospects, should be rejected accordingly.

Yours faithfully,



Edmond Mahony
Chairman