

## Ken Barry Speaking Points: PAC 4

Members of the Planning Assessment Commission -

I am Ken Barry, Chairman of the Advisory Board of Coolmore Australia. I have worked with Coolmore for 30 years, back to their initial investment in the Hunter Valley in the late 1980s, when they had a single employee here.

There have been many twists and turns since those days.

There has never been a threat to Coolmore Australia that comes close to the threat of Drayton South. Not Equine Influenza, not drought, not the floods of 2007, not fire, not the global financial crisis, not even the premature loss of stallions such as High Chaparral and Danehill.

Never before have our continued operations in the Hunter Valley been brought into such serious doubt.

Contrary to the Department of Planning's assertions<sup>1</sup>, we have been consistent in our position since 2012.

Since then we have built up a much greater store of technical assessment and knowledge - at considerable effort and cost. None of that information has reassured us in any way that we can operate alongside the mine.

It's very simple: the Drayton South mine is too close.

All independent assessments, including three PACs, agree. The strongest rejection was that of the last Review PAC, in November 2015. It found that there was no possibility of mining in this location - its very thorough and considered report said : "the two land uses are vastly different and are not compatible in close proximity."

Anglo American has made contradictory claims about the viability or otherwise of the resource, about their intentions towards their workforce and about their commitment to hold onto Drayton South and not sell it with the rest of their Australian assets. It would be laughable if it weren't so serious.

But perhaps that is not surprising. The Department, while continually recommending approval, even for a much larger mine, has made some interesting shifts in position itself.

In August 2015, the Department wrote that 'Coolmore and Woodlands studs are essential to the equine industry in the Upper Hunter' and should have the highest level of protection.<sup>2</sup>

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<sup>1</sup> SEAR September 2016 p 5

<sup>2</sup> SEAR August 2015 p 43

That 'image and visual perception are critical to the business model of the studs' and the proximity of mining must not be permitted to materially diminish the brandscape of these businesses.'<sup>3</sup> The Department's words.

And the Department wrote, in August 2015, that the reputation of the studs' businesses was just as important as visual amenity, air quality, noise and access to water.<sup>4</sup>

The Department also acknowledged, explicitly, that the project has the potential to impact other land uses and resources, particularly agricultural resources associated with Coolmore and Woodlands.<sup>5</sup>

These were sensible comments. The Review PAC concurred with the Department's views on the salience of these points. They just didn't agree with the Department's recommendation.

At this time you are making a determination on the same mine plan with the same impacts that the Review PAC recommended should be refused.

But the Department has moved the goal posts.

It now believes the critical industry cluster will survive and possibly even thrive if Coolmore and Darley are forced out, ignoring all real world evidence.<sup>6</sup>

Remember there has been no change to the mine plan. All that's new is an economic report commissioned by Anglo American, by Greg Houston, reviewed by Professor Jeff Bennett for the Department.

Neither had any contact with Coolmore in preparing their reports. Our submission will deal in detail with the factual errors and circular arguments contained therein.

But let me just say that as a lawyer with more than 50 years' experience, I maintain that the report of Dr Greg Houston would not stand up very long in a court. As well as factual errors, he misunderstands our business model and our industry in fundamental ways.

The reasons he gives as to why we would not leave the Hunter Valley are in many cases the very reasons we would be forced to.

He says that some of the stallions would stay in the Hunter Valley if Coolmore relocated to Victoria. We are in daily contact with their owners. They would not.

Houston says that Coolmore would lose key members of staff if we left the Hunter Valley. We will lose staff if the mine goes ahead.

He says that we would require new suppliers. Many of our most significant suppliers already have operations in Victoria.

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<sup>3</sup> ibid p 49

<sup>4</sup> ibid p 43

<sup>5</sup> ibid p 43

<sup>6</sup> SEAR September 2016, pp 22 and 26

He states if we left the Upper Hunter, we would lose customers. We would definitely lose clients if we are trying to operate 900 metres from an open cut coal mine.

His report is one where left is right and black is white, where everything we know is presented as its mirror image.

Over the next hours, you will hear from nearly 15 independent experts who have assessed the Drayton South project on our behalf. In particular, I hope that you will find the work of economist Dr Jill Stowe of the University of Kentucky useful. She is one of very few economists anywhere in the world specialising in the thoroughbred industry.

The work on water, air and equine health will I am sure also be of particular value.

Judging by the list of speakers, you are also hearing from many, many people whose livelihoods depend on the thoroughbred industry - these are experts by experience and their contributions are equally important.

To be brief, I want to thank you for your time and for your hard work in picking your way through these issues.

I want to reassure you that the decision you have to make is, although sensitive, not a complex one. A refusal of Drayton South is a decision rooted in facts and realities, consistency in application of criteria, supported by technical and scientific data, and in this unique set of circumstances, is the correct one. And one which the PAC has consistently decided to date.

I ask you respectfully to refuse this development application.