

Good morning and thank you for allowing me to speak. My name is Peter O'Brien and I am the General Manager of Segenhoe Stud which is located approximately 5km outside of Aberdeen (I'd like to thank the pack for having the word champions after our name, and for such adulation we gratefully accept). Our property was purchased just over four years ago by the Maloney family who have invested over 40 million dollars directly into purchasing and improving Segenhoe as well as investing in well over 150 mares and racehorses since inception.

I have lived in the valley for 29 years and have lived and worked at both Coolmore and Woodlands Studs. I would like to be a voice not only for Segenhoe, but for all 150 other boarding and agisting farms in the Hunter. I realise this is an emotive issue for all concerned, but for us this is primarily a business decision. Our industry cluster is entirely centred around stallion farms and it is quite simple – no stallions, no Segenhoe, or for that matter no satellite farms whatsoever.

We are indeed only one farm in a cluster of 150. We employ 34 people and of the 142 suppliers and contractors we use, 134 are based in the Upper Hunter. This year our stallion service fees spend alone for mares on the farm is \$11.5 million, of which \$7.5 million will be spent on Coolmore and Darley stallions. Multiply our one farm by 150 and it gives you an idea of the scale of the direct and indirect impacts that any move Coolmore and Darley will have. And please remember these numbers are long term, not short term.

I have read Mr Houston's and Mr Bennett's assumptions regarding our industry and in particular to boarding farms which to be quite honest astounded and frightened me with their lack of understanding.

To say that the boarding farms are the customers is just plainly not true. We are the service providers and to put this into prospective 82% of our current stock of mares are client's animals and it is the clients who make the decisions on stallions not us. We provide the facilities for our clients to breed to commercial stallions and if the stallions move the clients move and we will have to move.

Of our 220 mares on Segenhoe 35% are owned by Victorian breeders and if you include the other 47% that are client's mares then our business will simple collapse if Godolphin and Coolmore relocate to Victoria. It just isn't the case that Victorian breeders are not prepared to pay top level stud fees. They are spending it here and sending their mares here. For example, the average service fee spend of the Victorian mares on our farm is \$37,500, which is far more than the highest priced stallion currently in Victoria.

We are fortunate to have highly quality stock at Segenhoe and please note that 78% of stock on our farm go to proven stallions so to say that the vacuum left (should Godolphin and Coolmore relocate) would be filled to accommodate us is ludicrous.

The stallion business is not simple and extremely expensive and to gain traction with a view to a progress business model I would estimate you would need between \$30-\$50 million to gain a foot hold. It is no secret that most stallions fail so a

continued purchasing policy of high quality colts is essential and to be honest is way beyond the means of farms like Segenhoe. Remember that stallions don't disappear if they move to Victoria they relocate as will our business.

Nathan Tinkler spoke earlier on of his monthly million dollar investment in the thoroughbred industry, and a large proportion of this was invested in Patinack Farm in Sandy Hollow. This property is a state of the art stallion and boarding farm with the majority of facilities built in the last 5-7 years. However, it has been for sale for over 2 years now and still lies vacant. If Mr Houston was correct in his assumptions, surely some multi-national company would have bought this property by now. Jonathan D'Arcy from Inglis spoke earlier on of Spendthrift Farm who are indeed one of these multi-national stud farms, based in Kentucky, and I know for a fact that they did extensive due diligence for the property at Sandy Hollow. But, they bought a farm in Victoria.

The two so called experts, also reference shuttle stallions as an easy alternative for filling the vacuum which again highlights a lack of understanding of our business. I was fortunate to have been involved in the formative years of bringing shuttle stallions to Australia in the late 80's and early 90's, and although successful then, it is the colonial stallions now that are pre-eminent and the dramatic decline in shuttle stallions entering Australia annually, profoundly accentuates this point.

Long term viability for the Hunter Valley is sustained only by industries like ours, tourism, viticulture and agriculture. If you decide to take the short term gain then I would ask you to

return to the Hunter in 20 years' time but only plan a day trip as there won't be much to see besides derelict towns and sterilised land.

Already other States are actively marketing their horse industry clusters as mine free and dust free. How can anyone honestly say that having kilometres of overburden within sight of a commercial stud farm, will not encourage clients to look elsewhere? How can anyone say that the blasting and toxic dust plumes will not have an adverse effect on pregnant mares and young foals? It surely can't be good for them! We talk about one mine but it is the cumulative effect of multiple mines that will be the death knell to what in my opinion are the two most spectacular farms not only in the Hunter but in the world. I have been fortunate enough to have worked in Kentucky, Canada, England, France and Ireland, and there is nowhere in those world renowned breeding centres that can encapsulate the diversity of alluvial flats, river frontage, rolling hills and with a rich limestone base as Coolmore and Darley have.

A vital point to consider is the word community. Nearly all employees live on their respective farms, their children go to local schools, play sport with their local teams, parents shop in their local towns, and they are all immersed in every aspect of the communities.

The horse industry is here for the long haul. We are not against mining but we are vehemently against mines that encroach and threaten the very fabric and heartbeat of our community.

I would like to thank you for your time and please understand that if you approve this mine (and this is without hyperbole)

that your decision not only affects Godolphin and Coolmore but affects the entire long term sustainability of the thoroughbred industry in the Hunter Valley.