

PLANNING ASSESSMENT COMMISSION PRESENTATION – 17th November 2016

Upper Hunter Winemakers Association
Denman NSW 2328

Thank you for the opportunity to speak today.

I am here today to provide this submission on behalf of the Upper Hunter Winemakers Association which represents the interests of Grape Growers and Winemakers of the Upper Hunter Valley. The Upper Hunter has a long history - going back to 1820's of grape and wine production in this region.

The Wine Industry is and always has been an important contributor to the regions prosperity. This areas vineyards and wineries provide significant employment opportunities and the flow on effects of wine & tourism create economic, social and cultural benefits to the region. – and it is a sustainable industry.

The UHWA has made submissions and presentations to the previous PAC's on the Drayton South project -and find it disappointing and frustrating that we find ourselves here once again defending the future of our industries in the Upper Hunter. One of our greatest concerns has been the political and bureaucratic leadership that has led to a lack of meaningful long term planning for this region. This has been highlighted over the last few years resulting with us now reaching a point where we are discussing the development of this lease again in regard to the future development and sustainability of this region.

The Strategic Land Use Plan for the Upper Hunter was formulated at great length and was supposed to provide the various industries of the area with some certainty over the future use of our land. As part of this process, areas of the Upper Hunter have been declared to be Critical Industry Clusters for both Viticulture and Thoroughbred Breeding - meaning we are fortunate enough to have a set of unique attributes that should be protected. And yet here we are again before a new Planning Assessment Commission fighting for our future, our livelihoods and clarity.

After lengthy consultation, the Government has recognised that the Upper Hunter is a Critical Industry Cluster for *both* Viticulture and Thoroughbreds – it is unique and must be protected.

By the Governments own definition the CIC's must, among other things:

- *Consist of a unique combination of factors such as location, infrastructure, heritage and natural resources*
- *They must be of state, national and/or international importance*
- *And they must contribute to the regions identity*

The wine and thoroughbred industries certainly meet this criteria.

We urge the PAC and the Government to uphold the intent of the CIC declaration and protect our industries.

The UHWA has considered this issue at length and our position on this development has not been taken lightly. We support local job creation with balanced, sustainable development and we feel true empathy for the Drayton workers who have recently lost their jobs, however this proposal places our industry and its future in the Upper Hunter at risk, so I am speaking today against this proposal.

- The UHWA has a long standing position statement on coal mining. The first point on this document is that we are not opposed to coal mining in the Hunter Valley – we truly respect the contribution of mining and realise the economic benefits that flow on not just to the local community but the to the nation.

In recent years however, the concentration and expansion of mining in the Upper Hunter has brought our industry and this region to a tipping point where the dominance of mining in the region is forcing many current and prospective wine, agriculture and tourism operators to reconsider their future in the area.

The greatest asset of the Upper Hunter is the range of diversified industries that all contribute to the economic prosperity of the region. We are truly fortunate to live in an area that is blessed with such assets. We have vineyards & wineries that produce world class wines, farms that produce world class produce and as well as a vibrant thoroughbred industry that includes two of the largest thoroughbred studs in the southern hemisphere. Many other rural regions can only dream of having such strengths. In addition to this of course, is that we have a significant high amount of quality coal reserves. The key to the future for this region however is creating an environment where all of these industries can survive, grow and prosper. The recent downturn in the mining industry and abnormally high unemployment rate in the region shows us that it is more important than ever to have a broad range of diverse industries making a contribution to the local community and area.

- In this regard, there is a common theme that is embraced by both sides of this debate, which is the need for our industries to co-exist and that co-existence is the key to the future. I am sure there has been a lot said about this, however the problem for our industry is that large open cut coal mining and premium viticulture/thoroughbred breeding are fundamentally incompatible and they simply cannot successfully and sustainably exist in close proximity to each other. It is frustrating for all of our the UHWA members that this concept doesn't seem to be understood by the Department of Planning and Environment.

The Upper Hunter wine industry has in fact done its best to try and adapt and co-exist with the mining industry for many years now. Vineyards & vigneronns have felt forced to relocate or leave the industry altogether due to mining, and unfortunately more are currently under threat due to proposed expansions and the lack of clarity from the planning department.

- This proposed new mine location will have a detrimental impact on both the wine, tourism and the thoroughbred industries of the Upper Hunter. Within close proximity to the proposed new mine is the Upper Hunter's newest wine business Hollydene Estate, which sits right between Coolmore and Godolphin studs. Hollydene incorporates a cellar door and restaurant which are as good as you will find in regional Australia along with extensive vineyards and a winery site. The business employs some 26 staff and is a recent finalist in the NSW Tourism awards. Adverse impacts on these operations will in turn affect the remainder of our industry and the areas credibility as a viable wine, tourism and thoroughbred breeding region.
- The proposed Drayton South development, and its impact on the two largest Thoroughbred studs in the Hunter Valley, has many parallels with a similar situation that most of us would remember that occurred in the wine industry.
 - In 1996 the late Bob Oatley, who owned the largest family owned wine business in the HV, Rosemount Estate campaigned against the proposed Bengalla Coal Mine.
 - At the time, Rosemount was Australia's most successful family owned wine company with some 250 employees, over 1,000 acres of vineyards and a production facility right here in Denman that sent wine all over the world. The flow on benefits to the community from this business were enormous.
 - The matter went to court where Mr Oatley won – twice, however a Government decision overruled the courts and allowed the mine to proceed.
 - The Oatley's made the decision to exit the Upper Hunter and relocate their business to Mudgee.
 - The once great Rosemount facility – the flagship of the Upper Hunter wine industry is now an empty shell with a 6' chain wire fence around it.

- The impact of losing this region's leading wine business is still being felt. It has affected the area's reputation as a credible wine region and devastated the viability of vineyards that were established to supply Rosemount.

So the key points I would like to leave you with are:

1. This mine is at the gateway to the Upper Hunter and will impact our newest winery development and the two largest thoroughbred studs.
 - We are proud that when visitors drive to the Upper Hunter they are greeted by beautiful vineyards and the magnificent Coolmore and Godolphin Darley Studs. It is what sets this region apart.
 - Any impacts to these businesses will flow through to the rest of our industries.
 - We simply can't afford to put these businesses and our industries at risk.
2. The Wine Industry is fundamentally incompatible with large scale open cut coal mining within such close proximity to coal mining - it just doesn't work. It is just too close and the impacts are far too great.
3. We must maintain the balance
 - Our region's strength is our diversity and it is hanging by a thread – we have reached the tipping point and this development has the potential to send our industry over the edge.
 - Once industries are forced out by mining developments they are gone and they won't come back
 - Thoroughbred breeding and wine production are long term, sustainable industries and we can't afford to risk losing them.
 - The recent downturn in the mining industry shows us that it is more important than ever to have a broad range of diverse industries making a contribution to the local community and area. Not just being solely focused on a single main industry.
4. The cumulative impacts of mining in the Upper Hunter have never been adequately addressed
 - Right now we have this Lease that we are here to talk about today, but not to mention or be outdone by.. Spur Hill, Mt Pleasant and Ferndale as well as numerous expansion plans from existing mines.
 - If the Commission look at all the mining that takes place in the Upper Hunter, the combined impacts are making it harder to maintain the balance.
 - As we heard yesterday about the concerns about the overall environmental picture of coal mining. Not what one mine will do, but what has occurred is cumulative.
5. Finally, let's learn from the mistakes of the past

- The loss of Rosemount was a massive hit to the Upper Hunter Wine Industry. Don't let the same thing happen to the current vineyards and wineries as well as Coolmore and Godolphin.
- Once the big players and leaders of industry are forced out, the areas credibility is damaged and the flow on effects will impact the rest of the industry, the community and the region as a whole.

The catastrophic emotional heart ache that this area has had to endure over the past 4 years relating to this project – from all industry perspective has been unwanted and unnecessary. Uncertainty in planning has and always will be detrimental to everyone involved.

Thankyou