

Verbal submission to the Drayton South Planning Assessment Commission by Jonathan D'Arcy, Director of Inglis on Wednesday 16th November 2016 at Upper Hunter Conservatorium of Music, Muswellbrook

Thank you for the opportunity to address the commission on this important subject.

I represent William Inglis & Son Ltd. We are Australia's largest thoroughbred auctioneers with a turnover exceeding \$200 million annually. We are based at Randwick in Sydney and conduct thoroughbred sales in Sydney, Melbourne and Scone. For 150 years, Inglis has been closely linked to the people of the Upper Hunter Valley.

I have read the Houstonkemp report that has been commissioned by Anglo American and I would like to provide some balance to the ill-informed and wild conclusions that are drawn in that document.

The first point I would like to make to you today is this:

The Thoroughbred Breeding Industry is not a transient one – these farms cannot just up and move for the sake of a coal mine demanding more land. The Hunter Valley region and Jerry's Plains and Denman in particular is famous not only in Australia but around the world. Horses bred in Ballina or Ballarat would not have the same international commercial appeal as horses bred in the Upper Hunter Valley. Houstonkemp claim that the withdrawal of Coolmore and/or Darley from the Upper Hunter will be compensated by other studs and stallions filling the gaps. This is not factual. The Thoroughbred industry is result driven and Darley and Coolmore are two of the biggest names in the Thoroughbred world. Between them they stand 10 of the most commercial stallions in the country today and their hard earned record of breeding champion racehorses has been forged over decades. If these farms and their stallions are forced interstate the broodmare owners of NSW will send their mares south for the season to have them covered. There will be a significant loss of revenue to all auxiliary services linked to the horse industry.

Secondly:

I feel the need to point out is that the Thoroughbred Industry is also a great revenue contributor to the State of NSW and the Upper Hunter Valley is its nursery and life blood. In 2008 a NSW Government commissioned report calculated that the Inglis Easter Yearling Sale which draws 65% of its product from this region contributed more than \$70 million to the NSW economy. This is only one of a number of sales that are conducted throughout the year.

This export market could be lost to New Zealand or other states if our local industry here in the Hunter was compromised by the expansion of Anglo American into the South Drayton mine site.

We are a multi layered industry that has built a thriving export market for a unique Hunter Valley product. Make no mistake about what the consequences could be if a mine is allowed on the proposed Drayton South site– If we lose Darley and Coolmore from this area our NSW industry could be devastated in a very short time. These two studs cannot be replaced given their level of investment in infrastructure and employment. Contrary to the Houstonkemp report the quality of stallions that Coolmore and Darley have is not replaceable should they relocate out of the area. Breeders strive to mate their mares to the most commercial stallions available and if these stallions are forced to relocate interstate the mares and their value to this area will be lost. Vets, farriers, feed merchants all the way down the supply chain to local businesses and towns will suffer.

My third point to this commission is the potential loss of investment in NSW this decision could lead to:

Unfortunately, the lack of State Government protection afforded the NSW Thoroughbred industry has already led to the loss of international investment in our State. Specifically, my company's property arm has sold two properties in Victoria in the last 4 years to Hong Kong and American interests for a combined value of over \$20 Million. These properties are now employing in excess of 100 staff and have had millions of dollars spent on them benefitting their local communities. We are constantly speaking with foreign investors looking to become involved in the Australian horse industry. Commissioners, let me ask you this: If you were a horse breeder looking to buy land would you want to be purchasing a property next to a coal mining area that continues to expand unabated. I worry that allowing this mine will continue to send the message to potential Australian and International investors in our state that the Government of NSW only cares about mining and has no interest in agricultural assets.

To push Coolmore and Darley out of the Denman area would be to rob New South Wales of its two largest international investors who not only employ hundreds of local workers but invest millions of dollars into our Thoroughbred industry across the state. Hundreds of millions of dollars' worth of investment in facilities, horses, staff and land would be bulldozed away for a coal mine, a resource that is just as available 50 to 100kms west of the area we are asking you to protect.

Surely the mining industry can continue its expansion where it does not have the devastating impact on a vital agricultural asset like the Coolmore and Woodlands properties.

What is vital for you, the commission to address, is the importance to New South Wales of the Upper Hunter Valley as a horse breeding area second to none in the world today. Each year over \$300 million worth of yearlings bred and raised in this district are sold through public auction. Each year over \$120 million of this yearling turnover is provided by overseas buyers. This breeding industry activity brings many economic benefits to the state including:

- Airfares and hotel accommodation for owners, trainers and agents attending our sales and buying Hunter Valley yearlings.
- Wages and local investment from interstate and international investors keen to have horses bred and raised in these famous paddocks of the Upper Hunter Valley.
- Every year thousands of broodmares are sent from every State of Australia and New Zealand to be served by the stallions at Coolmore and Darley. I completely disagree with the assertion in the Houstonkemp report that other stallions will take their place. These stallions are unique and if they move to Victoria or Queensland they will attract mares out of NSW to follow them.

In summing up: I would ask the commission gathered here today to recognise the legitimate claim from the Thoroughbred Breeders of this district and the many auxiliary service personnel that stand to have their livelihoods destroyed should the Coolmore and Darley Stud properties be forced to close.

Please see that **ours** is an industry that has stood the test of time. Over 150 years breeding horses in this district. Please grant us protection so we can continue to support the state of NSW for another 150 years and more.

Our industry needs your support to ensure the survival of this important New South Wales asset that has been built into a world renowned breeding centre by generations of equine personnel. We would implore you to reject the revised application for the Drayton South Mine and do everything in your power to protect the Coolmore and Woodlands stud properties which are an absolutely essential element of the Upper Hunter Valley Thoroughbred Breeding Industry.

Jonathan D'Arcy
Director
Inglis

