

24 November, 2020

The Commissioner
The Independent Planning Commission NSW
Level 3, 201 Elizabeth Street
Sydney NSW 2000

Dear Sir/Madam

Re: Maxwell Underground Coal Mine Project

Further to my formal presentation to the Independent Planning Commission's Public Hearing in respect of the Maxwell Underground Coal Mine Project held on 11 and 13 November, I attach my written submission in opposition to the proposal.

Within this written submission I have provided further information for the Commission's consideration in respect of the Commission's interest on investments lost.

Inglis does not support this proposal due to the matters raised in the submission.

Regards



Mark Webster
Managing Director
William Inglis & Son Ltd.

Wednesday 24 November, 2020

**Maxwell Underground Coal Mine Project (SSD-9526)
Public Hearing 11 & 13 November, 2020**

**Submission in opposition to the proposed project from Mark Webster, Managing Director of
William Inglis & Son Ltd.**

1. I have been the Managing Director of Inglis for the past 13 years, a company that has served the Australian racing and breeding industry for 153 years. As one of the world's leading thoroughbred auctioneers, our company has sold many great horses over this period at our prestigious auctions yearling sales, the majority have come from the Hunter region which has the highest concentration of thoroughbred studs in the world outside of Kentucky in the USA. It is a privilege to be part of an industry that contributes \$5 Billion to the national GDP and \$2.6 Billion to the NSW economy annually. An industry that supports 230,000 jobs nationwide.
2. Australia is the second largest producer of thoroughbreds in the world, but we are the largest exporter of racehorses to Asia. Every producer needs a point of difference. In Australia's case we have a reputation for producing precocious sprinting type horses, something that can only be achieved via meticulous quality control of the entire production process, which includes clean and healthy land, fodder, water and air. The Maxwell mine puts all of this at risk, with the entry to the mine only 4.5kms from major stud farms Coolmore and Godolphin.
3. In 2017 an independent survey of the Easter Yearling Sale was conducted, it revealed the sale generated in excess of \$83m of economic benefit for NSW in addition to generating more than \$115m of sales income for the breeders. The Easter Sale attracts thousands of visitors to Sydney each year, in 2017 when last measured it generated 14,000 room nights across the Sydney basin. Inglis also conducts many other horse sales in Sydney and Melbourne to market Hunter bred horses to the world.
4. Approximately 50% of the spend at the Easter Sale comes from international investors, typically half of these investors export the horses they purchase to places such as Hong Kong, China, New Zealand, South Africa and Singapore, and the other half keep their horses here in Australia to race, which adds further economic benefit and creates more jobs for locals. Pre-Covid, my team would spend many months travelling around the world to identify and attract international investors to Australia.

5. Aside from purchasing racehorses here, many international visitors see the potential to invest in rural property and breeding operations. Inglis is also a licenced rural property sales agent. Over the past 10 years I have witnessed the negative response of international investors to the impact of coal mining in the Hunter Valley. The significant blight on the Hunter Valley landscape and dust in the air is obvious when they visit.
6. When such investors undertake due diligence to consider regions around Australia they identify the uncertainty of planning regulations in the Hunter Valley and the current high level of mining activity as significant risks. I estimate more than 80% of new investors over the past 10 years that we have engaged with from overseas have requested we find property in Victoria or other parts of NSW rather than the Hunter Valley for this reason. I have a few good examples to share with you.

Firstly, Spendthrift Farm is owned by American billionaire Mr B Wayne Hughes. He operates one of the largest and most successful thoroughbred breeding farms in the USA, based in Kentucky. Inglis was engaged to assist Mr Hughes and his executive team to find a suitable stud farm in Australia in 2015. After reviewing options around Australia including the Hunter Valley a decision was made to purchase a property named Yallambee Stud in Victoria where they now stand five stallions and have a significant broodmare band. A major factor in the decision making of the Spendthrift team was the existing high level of coal mining in the Hunter Valley and the uncertainty and risk of new mining projects being approved in close proximity to quality stud farms. Inglis experienced a similar outcome when engaged by Mr Zhang, a billionaire with an existing thoroughbred racing and breeding enterprise in China named Yulong. Mr Zhang also decided to invest in Victoria rather than the Hunter Valley due to concerns over the current and future coal mining risks in the Hunter region. Yulong have now purchased three stud farms in Victoria and stand three stallions and a significant broodmare band. AQUIS Farm is another good example, the Fung family from Hong Kong decided to invest in a stud farm in Queensland in 2015 to avoid coal mining in the Hunter Valley.

It would be reasonable to say that the three biggest new investors in equine property and thoroughbred racing and breeding in Australia over the past five years have all made a deliberate decision to avoid investing in the Hunter Valley. I would like to point out that Inglis Rural Property operates differently to a typical real estate agent that may be based in Scone or Mussellbrook. The local agents will no doubt be fielding enquiry on property listings in the Hunter region from interested parties, but at Inglis we are approached at a more strategic level by significant international investors who like to assess opportunities and risk across Australia. Unfortunately, the smaller agents in the Hunter Valley may not know what they are missing out on in terms of enquiry and sales, as major investors are deterred before even making a connection with such agents.

In summary, the directors and employees of Inglis are strongly opposed to the Maxwell underground mining proposal because:

1. The Government has recognised the Hunter Valley as one of the most fertile and productive agricultural areas in NSW and the Upper Hunter Thoroughbred Breeding Industry as national and state significant industry, a Centre of Thoroughbred Breeding Excellence and a Critical Industry Cluster, and one that should be afforded heightened protection.

2. There are too many mines already operating in the Upper Hunter impacting our air quality, our water systems, our landscape and visual amenity. More mining in close proximity to essential equine production property will have a negative impact on investment and our industry's reputation for producing champion thoroughbreds in a clean, green and serene environment.
3. The proponents Environmental Impact Statement has insufficient detail and lacks appropriate modelling of the adverse impacts on surface and ground water, air quality and on the impacts associated with blasting explosives on horse welfare being so close to major stud farms.
4. Government policies recognise the importance of diverse, strong regional economies based on sustainable long-term industries and not allowing one industry to dominate or wipe out all others. The Maxwell project will upset that balance.
5. This is the third mining proposal on the old Drayton South site during my 13 years at Managing Director of Inglis. The previous owners of this site Anglo American proposed open cut mining unsuccessfully on two occasions but argued that underground mining was potentially hazardous and uneconomic. The new proposal from the new owners Maxwell has not addressed these issues adequately and seem to have ignored the warnings of the previous owner. I would like the commission to understand that the ongoing uncertainty of the safety of our thoroughbred breeding industry can not be sustained indefinitely, action needs to be taken to protect areas of the Hunter that are integral to the health of our Equine Industry Cluster, one the top three breeding grounds of the world.