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## **DARLEY AUSTRALIA – SUBMISSION ON ANGLO AMERICAN’S DRAYTON SOUTH ENVIRONMENTAL ASSESSMENT.**

### **Introduction**

Darley Australia (Darley) welcomes the opportunity to comment on the AngloAmerican’s Environmental Assessment (EA) for its Drayton South open cut proposal.

Darley’s Woodlands Stud (Woodlands) is located on the Golden Highway between Denman and Jerrys Plains. Woodlands is situated on strategic agricultural land in the equine critical cluster in the Upper Hunter Valley.

The Drayton South open cut coal mine is located 500 metres from Woodlands’ doorstep. The proposed Drayton South open cut coal mine will have a mine life of 27 years and will utilise open cut and highwall mining techniques to extract up to 7 million tonnes per annum over this 27 year period.

Darley is strongly opposed to the Drayton South open cut coal mine proposal. We consider that the risks associated with this project to our business, employees, community and the environment are unacceptably high and the impacts on our future and landscape are critical and irreversible.

**Darley asserts that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in such close proximity to a coal mine.**

**It follows that mining and thoroughbred breeding in such close proximity are incompatible land uses.**

**Should the Drayton South open cut coal mine proceed Darley will be forced to reconsider its commitment to its operations in NSW due to the nature and scale of the impacts of this proposal on our business.**

Darley notes and supports the Hunter Thoroughbred Breeders Association submission opposing AngloAmerican’s proposal for an open cut coal mine which is located directly opposite Darley’s international scale Woodland operations at Denman in the Hunter Valley.

## Darley Australia

Darley is HH Sheikh Mohammed bin Rashid Al Maktoum's global breeding business which operates in six countries around the world, including Australia's Hunter Valley, Newmarket in the UK, County Kildare in Ireland, Kentucky USA and Hokkaido, Japan and more recently China. HH Sheikh Mohammed is ruler of Dubai and Vice President of the United Arab Emirates.

Darley established its commercial breeding operation in the Hunter Valley in 2001 in recognition of Australia's growing force in international thoroughbred breeding and racing.

In 2003 Darley Australia purchased the 1,700 acre Kelvinside Stud in Aberdeen in the Hunter Valley. The property has since been developed into a world-class facility with capacity to stand 18 stallions, comprehensive mare and yearling facilities and more recently a world class education and breaking operation.

In 2008 Darley purchased Australia's largest integrated breeding and racing operation, Ingham Bloodstock, which included the **6,500 acre Woodlands Stud at Denman**. In addition to its Hunter Valley farms Darley operates a Victorian breeding operation from its stud Northwood Park, at Seymour Victoria.

Darley also owns and races in excess of 500 horses from its two training bases in Western Sydney and Victorian training base at Flemington racecourse in Melbourne, Victoria. It is estimated that Darley's ownership of elite thoroughbred racehorses amounts to approximately 10 per cent of all racehorses competing in metropolitan Sydney.

Darley employs 350 people in Australia, including 150 in the Hunter Valley across its two stud farms. These include horse handlers, bloodstock experts, gardeners, and others working in corporate functions including administration, finance, human resources, IT, and marketing and sales.

During the Southern Hemisphere breeding season the value of bloodstock under Darley's stewardship is in the order of \$500 million, with in excess of \$350 million located in the Hunter Valley.

Woodlands was settled in 1824 and it is believed that the current homestead was built in 1833. Woodlands' first recorded association with thoroughbreds dates back to the 1870's under the ownership of H.C. White, who bred and raced thoroughbreds, the most prominent of which was dual Caulfield Cup winner Paris in 1892 and 1893. Since then it has been operated as a thoroughbred stud by notable industry participants including George Ryder (founder of the Golden Slipper), Lord Derby and the Ingham brothers.

Champion Sires that have graced Woodlands include Yeats, Canny Lad and Lonhro. Champion racehorses reared at Woodlands include Octagonal, Golden Slipper winner Marscay, and notably the last 2 Golden Slipper winners and Champion 3 year olds Pierro and Sepoy.

Darley's Woodlands Stud remains one of two international scale thoroughbred breeding operations in the Jerrys Plains/Denman area in the Hunter Valley. It is one of over 150 thoroughbred breeding farms and supplier companies located in the Hunter Valley's critical concentration of thoroughbred breeding and support operations. The industry in the Hunter Valley employs thousands of people directly and indirectly (including the largest equine veterinary hospital in the Southern Hemisphere, farriers, saddlers, printers, equine transport industries, the racing industry) and contributes to the employment of hundreds of thousands of people across its value chain.

## Shortcomings in the EA

Darley is strongly opposed to the Drayton South open cut coal mine proposal. Darley concurs with the HTBA's assessment that the EA:

- is manifestly deficient in its assessment of the surface and ground water impacts of the proposal. We agree that the water risks associated with the Drayton South proposal are unacceptably high, are not adequately assessed, and may have unknown consequences for the Hunter Valley's already highly stressed water systems for hundreds of years after mining has ceased;
- fails to assess the impact of this proposed open cut coal mine on the Hunter Valley's thoroughbred breeding industry as required by the Agricultural Impact Statement;
- fails to assess the impact of this proposed open cut coal mine on the Hunter Valley's thoroughbred breeding industry in the economic impact assessment.
- overstates the economic benefits of the project and understates the costs which if corrected could materially alter, if not reverse, the proposal's net economic benefits;
- fails to adequately assess the impact of the Drayton South open cut coal mine on the Hunter Valley's thoroughbred breeding industry and community in the socio-economic impact assessment;
- ignores the incompatibility of landuses;
- underestimates the long term social costs from an open cut coal mine with a finite life compared to sustainable thoroughbred breeding industry and other agriculture that could operate in perpetuity;
- reveals serious deficiencies in the air quality analysis;
- presents unacceptably high visual risks which will irreversibly alter the Hunter Valley landscape and topography. The visual impact of this proposed mine will be evident for over two decades.
- will materially and adversely impact the productivity and investment attractiveness of the Hunter Valley studs located within 1km of this project, and the entire thoroughbred breeding and support industries concentrated in the Hunter Valley;
- fails to address and account for the cumulative health impacts of this proposal on the Hunter Valley community;
- presents information on horse health that is incorrect or has little relevance to the majority of horses in the Hunter Valley region;
- does not adequately address the road safety impacts of the Project;
- fails to adequately address the broader and often interrelated impacts of the proposal. This is a recurring problem throughout the EA (including its

appended reports);

- systematically fails to acknowledge and assess the cumulative impacts of existing mines together with this proposal on the local community and sustainable business operations.

## **Impact of Drayton South Open Cut Coal Mine Proposal on Darley's Business**

Darley asserts that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in such close proximity to a coal mine.

The EA fails to take account of this, and more specifically:

- **fails to account** for the negative impact the proximity of this open cut coal mine (500m from Darley's boundary) will have to Darley's Woodlands operations;
- **fails to address** the significant adverse visual impact the mine will have on Darley's business operations, reputation, development potential and future investment decisions;
- **fails to deliver** on AngloAmerican's commitment that there will be no visual impact resulting from this open cut coal mine on our operations;
- **fails to recognise** the negative health and welfare impacts this proposal will have on the community of people who reside on the Darley property;
- **totally disregards** the significant social, agricultural and economic impact the open cut coal mine will have on our thoroughbred breeding operations and our industry as a whole;
- **makes inaccurate and misinformed judgements** about the impact of the proposed open cut mine will have on our land and valuable livestock;
- **represents a totally inadequate and dismissive** response to Darley's concerns and future operations.

Darley has not sought in this submission to repeat the significant impacts and inadequacies of the Drayton South Environmental Assessment identified by the Hunter Thoroughbred Breeders in their submission. Darley's submission concentrates on the impacts this open cut mining proposal will have on Darley's Hunter Valley operations, its viability and its future.

### ***Proximity to Darley***

No where in the world, other than NSW, is a mining proposal located in such close proximity to a thoroughbred breeding operation of the scale and importance of Darley's Woodlands Stud.

Currently the closest open cut coal mining operation to Woodlands is BHP's Mt Arthur coal mine. This mine is some 10 kms away from the stud farm and can be seen in the distance. It is far enough away so that its effects (visual and environmental) are tolerable.

The Drayton South open cut coal mine proposal is 500 metres from Woodlands doorstep. It will be visible throughout its entire mine life (particularly the Redbank and Blakefield pits).

A graphical representation of the proximity of this mine to our operations is presented in Appendix 1. The proximity of the mine is unacceptable and presents an intolerable situation for Darley.

### *Adverse Visual Impacts*

The susceptibility of our business to threats to our image and reputation are real. The Drayton South open cut coal mine brings these threats right to our doorstep. Our business and our entire industry hinges on the quality of our topography (soils, land, water and air quality), our image, breeding and racing performance and our reputation. Any threat to any one of those elements has the potential to undermine confidence in our product.

It is no accident that the Hunter Valley's unique physical environment in which we operate is essential to our operations. The undulating topography, fertile soils and clean abundant water alongside the visually alluring topography and landscape is critical to our business model, to breeding and rearing and racing champion athletes and attracting investment and clients.

The visual integrity of our business is highly prized, and one in which we significantly invest in. It is fundamental to marketing our product and our business success.

An open cut coal mine directly opposite Darley and within 500 metres of our operation is clearly incompatible with our business and our reputation as one of the world's leading thoroughbred breeding and racing companies.

The EA makes inaccurate assumptions about the visual impact of this open cut coal mine on Darley's operations.

Darley will be highly visually impacted from a number of vantage points including the Darley Lookout, Trigg Hill, Randwick, Oglivies Hill – Golden Highway and as a result of the realignment of Edderton Road.

We have serious doubts about the tree screening mitigation measures suggested as a basis for Drayton South's mitigation strategy. This strategy fails to recognise that there is high potential for failure.

The assumption contained in the EA that Trigg Hill has low visual sensitivity and is not used as part of Darley's day to day operations is not only incorrect it misrepresents the integral nature of this area to our total operations. It is convenient for AngloAmerican to make this uninformed assertion given the view from Trigg Hill will be an unadulterated 27 year view directly into the Redbank and Blakefield pits.

All the land at Woodlands (including Randwick Park which comprises Trig Hill and the paddocks adjacent to the Golden Highway that have a full view of the Redbank and Blakefield Pits) is developed (some more intensely than others) for thoroughbred use. Horses are rotated through parts of the farm to take advantage of various topographical conditions depending on need. To say that this area of Randwick Park is not part of our operation demonstrates the lack of understanding of our business and the impact on us.

Currently one can see the Mt Arthur coal mine operation in the distance from this particular view point. As depicted in Appendix 2, the proximity of the

Drayton South open cut coal mine will not only bring the operations of Redbank pit directly into view from our property (for the life of the mine) but will create a contiguous view of open cut coal mining stretching the entire 10 kilometres from our property across Drayton South and up to Mt Arthur. This will have a devastating impact on our investment and reputation.

It is concerning that the photomontages presented in the EA as part of the Visual Impact Assessment do not fully represent the visual impact of the mine plan. A comparison of the photomontages obtained by Darley from AngloAmerican and presented in Appendix 2 reveals that:

- the EA does not disclose photographs of the visual impact of the mine in Year 3 and Year 5, instead only presenting existing, Year 10 and Year 27 views where it could be considered that the visual impact is more acceptable;
- the resolution of the photomontages presented in the EA are of lower quality. It is of concern that this may be a deliberate attempt to dilute and misrepresent the visual impact of the mine.

The Visual Impact Assessment text concedes that there will be a high visual effect of the Blakefield and Redbank Pits as viewed from Darley's Trigg Hill in years 3 and 5 however these photographs have been conveniently left out.

The views from these vantage points are quite confronting. They present a very bleak picture of the significant visual impact this mine will have on our operations and reputation. More concerning is that it will take another 17 years (from year 10 to year 27) to fully rehabilitate the site.

We are very disappointed that these stark and impactful images have been left out of the Drayton South Visual Impact Assessment and it begs the question what other important and impactful information has been omitted.

### *Darley's Future in NSW in Jeopardy*

Darley Australia has assets worth hundreds of millions of dollars invested in NSW and its sustainable operations contribute significantly to the Hunter Valley economy. Indeed, Woodlands is Darley's singular most valuable asset in Australia and its viability as a thoroughbred farm is at risk because of the proximity of this mine plan.

The EA totally ignores and makes no allowance for the risks and impact this open cut coal mine poses on the viability and future of our operations.

The Agricultural Impact Statement and the Socio-Economic Impact Analyses are totally deficient in that they:

- give no serious consideration to, or analysis of, the impact of this proposal on our business and reputation;
- ignore the incompatibility of thoroughbred breeding and mining which are competitive land uses;
- fail to include the impact of this mining proposal on our farm productivity, land values, employment;



- fail to recognise the impact of this proposal to our and the thoroughbred breeding industry's economic contribution to our local, regional and state economies;
- underestimate the significant and long term social and environmental costs of this project;
- fail to consider the possibility of potential thoroughbred breeding closures as a result of this project and the impact that would have on job losses in the local, regional and state economies;
- make overstated assumptions (including on the price of coal) that if rectified could materially alter the assumed economic benefits of this proposal.

Darley has invested in major capital expenditure projects at Woodlands including:

- refurbishing the historic Woodlands Homestead;
- major staff housing and amenities;
- developing guest houses;
- major fencing infrastructure;
- development of pastures; and
- major irrigation upgrades.

Many millions of dollars have been spent on these and other capital projects on the Woodlands property. Much of this (some 85%) has been spent in the local economy supporting local businesses and local employment.

Projects like the Drayton South open cut coal mine however have created significant uncertainty and place our investments, growth potential and the security of our employees in jeopardy.

Darley asserts that no reasonable person would choose to acquire, invest in, upgrade, or operate a thoroughbred breeding stud in such close proximity to a coal mine. It follows that mining and thoroughbred breeding in such close proximity are incompatible land uses.

Should the Drayton South open cut coal mining proposal proceed, Darley will need to consider its future breeding and racing operations in NSW due to the nature and scale of the impacts of the Drayton South proposal on our business.

### *[Darley Woodlands Community](#)*

Darley's operations are highly labour intensive. We provide stable, long term jobs for our employees, many of whom live on-farm with their partners, family and children.

Darley invests heavily in housing and amenities so that we can provide attractive and appropriate living quarters and living standards to our employees and their families.

Over 70 people permanently reside at Woodlands. This included 10 families with children, 10 couples and 16 single residents.

Given this, Woodlands should be recognised as a small community which, in the case of the Drayton South mine, is living directly opposite the proposed open cut coal mine. They will be directly impacted by the open cut coal mine's operations and negatively affected by:

- blastings (expected to be some 5 per week)
- health impacts;
- dust impacts;
- visual impacts;
- noise, light and vibration;
- traffic and road safety issues;
- adverse impacts to water quality and quantity.

These concerns are significantly amplified when they are in such direct and close proximity to a live-in and working community. They are major concerns to both our business and the welfare and living standards of our employees.

It is our strong view that no mine should operate within a 10 kilometre radius of thoroughbred breeding studs and communities. The operation of the Drayton South open cut coal mine within 500 metres of our stud and the community of people that live on the Darley Woodlands property is unacceptable.

#### *Impacts on Thoroughbreds*

Equine veterinary experts engaged by Darley are of the opinion that the assertions made by the EA on the impact of this open cut coal mine on thoroughbred horses are misleading and based on research that has little if any relevance to the breeding and rearing of horses on our property and throughout the Hunter region.

The assertions that thoroughbreds can live with and adapt to high levels of dust are inaccurate, as are the statements that thoroughbreds can assimilate to increased noise levels. These statements clearly misunderstand the nature of our operations and the conditions in which we breed and rear our thoroughbred athletes.

#### *Inadequate response to Darley's concerns*

For many years Darley has consistently raised with AngloAmerican its concerns regarding the:

- footprint of their proposed mining operation at Drayton South;
- potential for future creep of those mining operations towards Darley Woodlands;
- proximity of the open cut coal mine to Darley's operations;
- visual impact of the Drayton South open cut coal mine to Darley's reputation and operations; and
- impact of this mine to the community of people that reside on the Darley property.

AngloAmerican made commitments and undertakings to Darley to:

- fully consult Darley prior to submitting its Preliminary Environmental Assessment;
- design its mine plan so that there will be no visual impact to Darley as a result of the Drayton South open cut coal mine;
- explore other measures jointly with Darley to safeguard against future mine creep.

AngloAmerican has failed to deliver on any of these commitments. Darley has engaged in a consultation process with AngloAmerican in good faith. It has had little alternative as the Government's processes force landholders into this situation. Darley is of the view however that this "consultation" is best described as a process that has proved to be one sided and few of Darley's significant concerns have been taken on board and addressed.

## Conclusion

Darley Australia strongly opposes AngloAmerican's Drayton South open cut coal mining proposal which is situated only 500 metres from Darley Woodlands operations in Denman.

Woodlands is situated on strategic agricultural land in the equine critical industry cluster in the Upper Hunter Valley. Under the Government's new strategic land use policy projects such as the Drayton South open cut coal mine should be subjected to independent evaluation under the Government's new Gateway process. Despite the size, nature and impact on strategic agricultural lands the Drayton South open cut proposal is not being referred to a Gateway Panel for review.

Should the Drayton South open cut coal mine proposal be allowed to proceed, the visual, dust, noise, vibration, health, water, environmental and reputational impacts this proposal will have on our operations, and on the operations and reputation of other studs in the area and our entire industry, will be devastating.

It will jeopardise hundreds of jobs associated with our industry and irreversibly damage our landscape and the economic diversity of our region.

Importantly it will signal that the NSW Government does not support our industry and is prepared to sacrifice our industry for the sake of one open cut coal mine that is clearly incompatible land use and disadvantageous to our operation.

We hope that the NSW Government will seriously take heed of the concerns we and other landholders are raising in our objections to this open cut coal mine. It is the first test of the Government's commitments that it will protect our industry, our employees and our livelihoods.

**Darley reiterates that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in such close proximity to a coal mine. It follows that mining and thoroughbred breeding in such close proximity are incompatible land uses.**

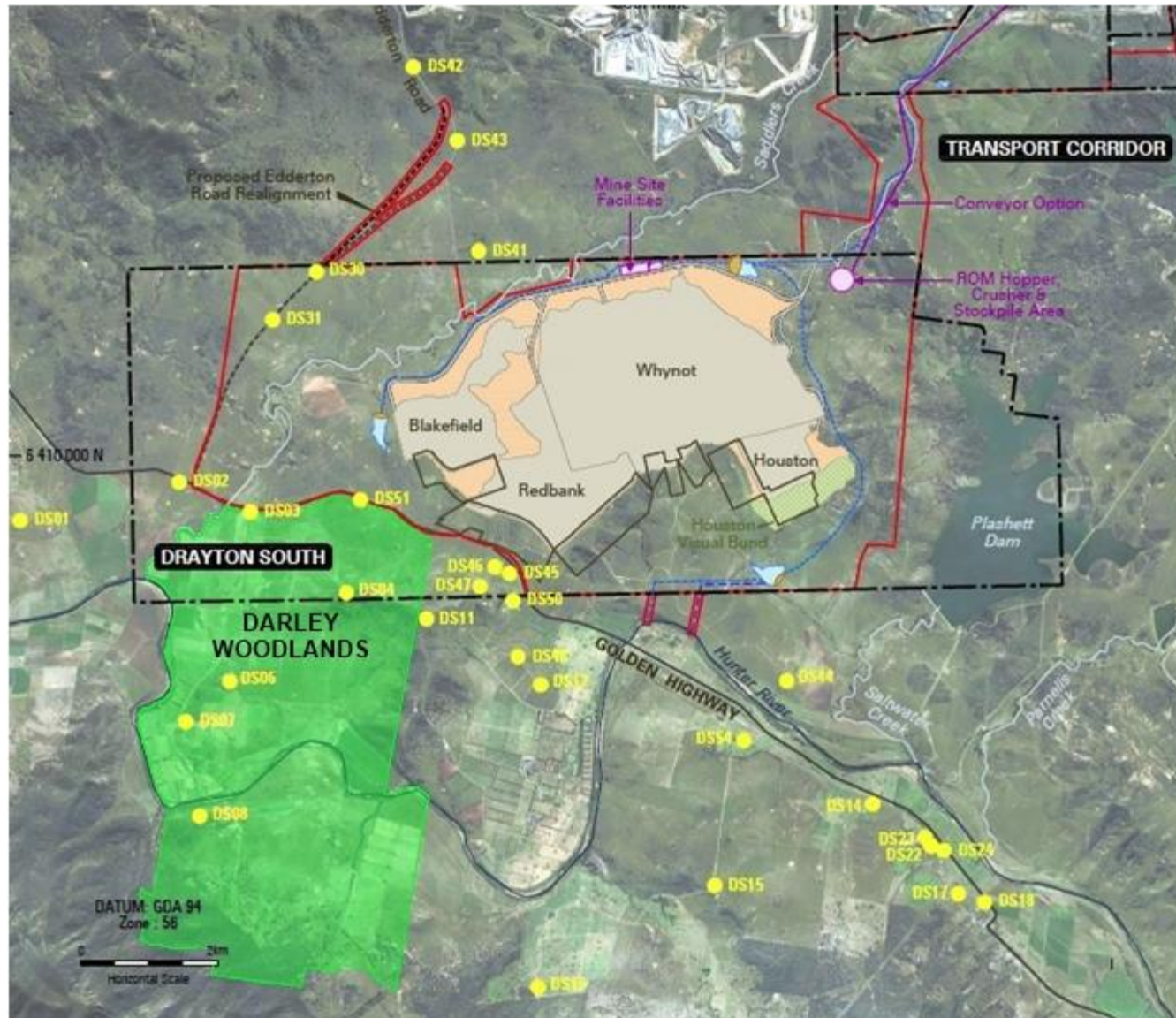
**Should the Drayton South open cut coal mine proceed Darley will be forced to reconsider its commitment to its operations in NSW due to the nature and scale of the impacts of this proposal on our business.**

Mr Henry Plumptre  
Director

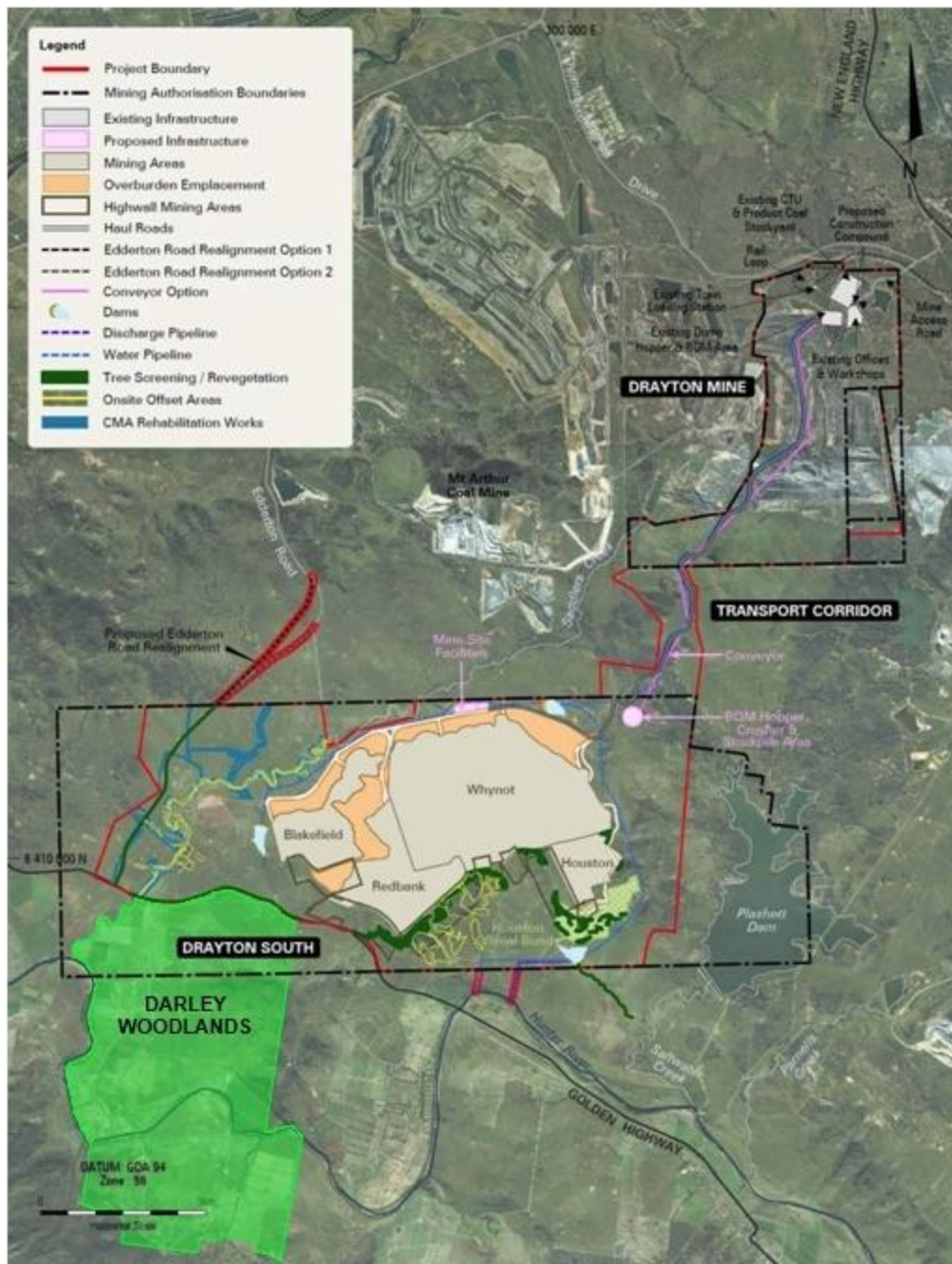
Mr Andrew Wiles  
Director

## APPENDIX 1

### Drayton South Open Cut Coal Mine Proximity to Darley Woodlands







## APPENDIX 1

### Drayton South Open Cut Coal Mine proximity to Darley Woodlands

## APPENDIX 2

### DS04 Darley Trig Hill

#### Existing View





**APPENDIX 2**  
**DS04 Darley Trig Hill**  
**Year 3**





**APPENDIX 2**  
**DS04 Darley Trig Hill**  
**Year 5**



**APPENDIX 2**  
**DS04 Darley Trig Hill**  
**Year 10**

