

PLANNING ASSESSMENT COMMISSION AND GATEWAY PANEL REPORTS & RECOMMENDATIONS

ISSUE	PAC OR GATEWAY REFERENCE	Page
Recommendations	<p>The Planning Assessment Commission recommended that:</p> <ul style="list-style-type: none"> “The Coolmore and Woodlands horse studs should be recognised as essential to the broader Equine Critical Industry Cluster and given the highest level of protection from the impacts of mining; The mine plan for the site should not be approved.” 	lii
Future Application for smaller mine	“Any future application for a much smaller mine on the northern portion of the site must remain north of the natural ridgeline ...	iii
	... demonstrate that its impacts will not affect the viability of the Coolmore and Woodlands studs”	iii
	“Any new mine plan for the site would need to be further assessed to ensure the visual, blasting, noise, dust impacts could be managed to an acceptable level at the neighbouring stud properties and should take into account worst case scenarios. Other impacts would also need to be carefully considered both in relation to any impacts to the horse studs and more broadly, particularly in relation to the long term water impacts and the final landform.”	lii
	“The Commission acknowledges that these recommended changes may prove either technically and/or financially viable. If this smaller mine footprint is found unviable, then the Commission considers that the project cannot proceed.”	25
	“The mine will need to achieve unprecedented standards of performance, management, consultation and cooperation to ensure the operations of the two horse studs are protected.”	27
	“If any open cut mining is to proceed on the project site, then it must be subject to the most stringent controls and conditions, including provisions for close cooperation when special events are scheduled on the studs, including requirements to prevent blasting during these events.”	27
Coolmore and Darley – critical to equine cluster	“The Commission agrees that the studs (Coolmore and Darley) are highly important to the equine Critical Industry Cluster and consequently the broader region, and should be protected from the impacts of mining. The Commission found that the proposed mine would threaten the studs’ reputation, and brand, and potentially their onsite operations as well.”	li
	“Coolmore and Woodlands (as Darley Australia and operated in conjunction with Kelvinside stallion stud) horse studs are the most important of all core businesses with the CIC. These studs are central to the functioning of the cluster.”	Appendix 4, p 4
	In his findings, the PAC’s expert adviser stated, “there is enough consistent and well-informed argument to establish <i>reasonable doubt</i> about many aspects of the potential impacts on Coolmore and Woodlands, and the CIC, put forward in the Project’s Environmental Assessment.”	Appendix 4, p 4

Incompatible Land Uses	The Planning Assessment Commission found that: “A previous review undertaken by the Planning Assessment Commission indicated, “available evidence supports the view that open-cut coal mining and viable international-scale thoroughbred breeding enterprise are incompatible land-uses” (PAC 2010).	27
	The PAC’S adviser also found that “Thoroughbred horse studs of the nature and scale of Coolmore and Woodlands and open cut coal mining as proposed by the Project are incompatible land uses. These land uses cannot co-exist in close proximity to one another.” The Commission agrees with these statements, but notes that the Commission’s conclusions and recommendations are unique to the circumstances of this particular location.”	27
Economic Diversity	The Planning Assessment Commission recognised the importance of economic diversity to regional economies and made the following finding: “..the Commission considers that there is value in maintaining a wide range of industries within a diversified economy. The Commission notes that this one mine has the potential to severely impact on the studs, putting the equine industry at risk.”	21
Critical Industry Clusters	“The PAC has found that the two studs are highly significant to the broad Equine Critical Industry Cluster and considers that they should be maintained as core equine properties, with their considerable residential populations retained on site.”	15
	The PAC’s adviser found that “Coolmore and Woodlands (as Darley Australia and operated in conjunction with Kelvininside stallion stud) horse studs are the most important of all core businesses with the CIC. These studs are central to the functioning of the cluster.” “Coolmore ad Woodlands horse studs should be provided absolute protection from impacts of open-cut coal mining as proposed by the Project in order to preserve the sustainability of the CIC.”	Appendix 4, p 4
	The Planning Assessment Commission’s expert adviser found that “CICs have existed for centuries as geographic concentrations, particularly where agricultural activities coalesce around a natural resource and attract complimentary activities seeking strategic socio-economic benefit.”	Appendix 4 p,
	“CICs present an alternate way of organizing the value chain ...” Fundamentally, CICs are complex socio-economic systems. CICs have common components: (i) core businesses or central actors; (ii) support businesses or actors; (iii) soft infrastructure; and (iv) hard infrastructure.”	Appendix 4, p 20
	The PAC’s adviser reported, “there is enough consistent and well-informed argument to establish <i>reasonable doubt</i> about many aspects of the potential impacts on Coolmore and Woodlands, and the CIC, put forward in the Project’s Environmental Assessment.”	Appendix 4, p 4
	Further the PAC adviser found that “Project approval will likely trigger the withdrawal of Coolmore and Woodlands horse studs from the CIC because the potential impacts are considered unacceptable by these businesses.” “If Coolmore and Woodlands horse studs exit the cluster, this will cause decline and possible demise of the CIC.” And “the revival of the CIC should be considered unlikely because:	Appendix 4, p 4 Appendix

	<ul style="list-style-type: none"> the perceived and real issues that caused the decline will remain, deterring others from assuming the vacant role within the CIC; and cluster critical mass is lost.” 	4, p 34
Air Quality	The Planning Assessment Commission was “not convinced that the air quality impacts would be acceptable, particularly given the latest modeling predictions do not appear to represent the worst case scenario”.	li
	In its report the PAC also found that “Dust control would be a significant challenge as the mine plan includes four pits and a large surface area would be exposed for much of the 27 year mine life.”	20
	“The air quality impacts of the project are not considered acceptable due to the combined concerns about the additional amenity and health impacts to residents living on the studs, and the reputational damage that may be caused with the deterioration of the industry.”	21
Noise, Blasting Lighting	The Planning Assessment Commission “is not confident there would not be significant impacts on the thoroughbred studs from the proposed mine.”	li
	“...night time lighting of the operations that may be perceived as causing a glowing effect on the atmosphere,... may conflict with the image of cleanliness, safety, isolation and the absence of lighting that is typical of the rural, high quality experience in the imagery projected by the studs. Blasting, noise and dust plumes from blasting or vehicles on haul roads and working on unconsolidated overburden may all be perceived to be alien to that imagery. In that regard, the sensitivity of the studs to impacts on the imagery is inherent in their branding and identities and deserves acknowledgement and special consideration with regard to the acceptability of the proposed mine ...”	Appendix 5, p 13
	“In relation to blasting, the project has the potential to impact on people, structures and horses.”	18
	The requirement of 10 blasts per week would not comply with ANZEC guidelines.	18
	“...lighting from this proposed mine would highlight the close proximity of the mine.”	20
	“Nonetheless, the risk, whether real or perceived has the potential to damage the business of the studs.”	20
	The Gateway Panel “considers that surface area disturbance by the Project will have significant impacts on the adjoining Equine CIC land, Coolmore and Woodlands in particular, and deleterious flow-on consequences for the Equine CIC.”	15
	The Gateway Panel is of the opinion that “these impacts will include dust, noise, vibration and blasting overpressure, and loss of visual amenity and much uncertainty exists as to the extent that these can be adequately mitigated.”	15
	Despite the abundance of literature on the operation of CICs, the state and national importance of the equine CIC (outlined in the Upper Hunter Strategic Regional Land Use Policy), La Tierra found that the Proponent’s EA “fails to adequately describe the CIC or the role of Coolmore and Woodlands in it” “inexplicably concludes no economic or socio-economic impact on either stud or the CIC.”	Appendix 4, p 6

Water	Both the Planning Assessment Commission and the Gateway Panel raised serious concerns about the impact of the project on surface and groundwater systems and long-term salinity increases in the Hunter River:	
	The Planning Assessment Commission “considers that the location of water discharge points upstream of Coolmore’s extraction points, and opposite key paddocks (designated for pregnant mares) poses an unnecessary risk of impact.”	18
	In its report the Gateway Panel stated “surface area disturbance by the Project will have significant impacts on the adjoining Equine CIC land, Coolmore and Woodlands in particular, and deleterious flow-on consequences for the Equine CIC.”	15
	<p>The Gateway Panel also raised significant and specific concerns on the impact of the Project on water systems, including:</p> <ul style="list-style-type: none"> • “concerns about the potential long-term salinity increases in the Hunter River (300+ years)”; • “the construction of an open cut mine at the proposed location will cause impacts on both “highly productive’ and “less productive” groundwater systems (aquifers) which will occur both during and post mining activities”; • “concern that the salinity of the groundwater discharging from the final void may be considerably higher than predicted in the PPR; <ul style="list-style-type: none"> ○ “The Panel considers that the predicted salinities for the final void are likely too low. If the final void lake is more saline than predicted by the PPR then the salt load into the surrounding aquifers, Hunter River and saltwater Creek will also be higher than indicated in the PPR. The report does not provide the data required to assess the potential scale of this effect.” ○ “An IESC concern is that the Hunter River should not be further impacted by saline discharges. ... The Panel has the same concern, as low salinity clean water is a key requirement for both Coolmore and Darley (Woodlands) horse studs.” 	15 16 17 18 18
Non-Aboriginal Heritage Values	The Planning Assessment Commission found that the “(Coolmore and Darley) properties have a unique combination of scenic, historic and agricultural qualities which lend themselves to the equine and tourism industries but could be argued to have a significant heritage value of their own ... this combination of attributes is extremely difficult, if not impossible, to find elsewhere.”	12
	“The properties have a unique combination of scenic, historic and agricultural qualities which lend themselves to the equine and tourism industries, but could also be argued to have a significant heritage value of their own. ... this combination of attributes is extremely difficult, if not impossible to find elsewhere.”	12
	The Commission found that “ The significance of the historic homesteads (at Coolmore and Darley) is not disputed in the Proponent’s environmental assessment (Hansen Bailey 2013). However, the additional value derived from the surrounding cultural landscape setting and the continuity of land uses on the properties has not been recognised to any clear extent nor given any meaningful consideration by the Proponent.”	12

	“The Commission considered that it is possible to argue that the properties have a unique cultural landscape value that stems from a combination of scenic and historic qualities – combined with what appears to be a near continuous use of the properties for horse breeding, of one sort or another, for over 100 years if not more.”	12
	The Commission found “that the studs have significant cultural landscape value tied to the existing land use activities that would be threatened by the proposed mining operations. Obvious threats derive from short term amenity impacts, but the greater and more significant risk is that thoroughbred breeding operations on the site would be discontinued. Without the continuance of this land use, it seems likely that the evolution of the cultural landscape would lose its significance, just as the continued use and maintenance of the built heritage items would no longer be assured.” “The Commission considered that the landscape of the studs and their surrounds warrants conservation and protection.”	27
	Dr Richard Lamb, expert visual and landscape adviser to the Commission, found that the EA: “... did not assess the potential for the area occupied by the studs, in particular to be identified as significant rural cultural landscape in its own right. It did not consider the likely impacts on the tangible and intangible heritage values associated with the horse breeding and later thoroughbred breeding industry and the values of the landscape it is associated with.”	Appendix 5 p 7
Visual Impacts	The Planning Assessment Commission found that the mine would have significant impacts on the visual amenity, landscape and image association with Coolmore and Woodlands studs, and their surrounds.”	17
	“Any signs of mining, whether causing real or perceived impact, could create questions and doubt in the minds of buyers, investors and other industry representatives.”	15
	“The Commission agreed that <i>“As a general principle, the closer the operations approach the boundaries of the studs, the more likely there are to be indirect visual exposure effects”</i> . Consequently the proximity of the mine, and the Redbank Pit in particular, is of concern.”	16
	Dr Richard Lamb, expert visual and landscape adviser to the Commission, found that: “The landscapes of the studs are of special intrinsic scenic quality and character, historically significant and of importance to the story of development of the Upper Hunter Valley, the theme of agriculture and rural industry and the thoroughbred racing industry. They are of special and possibly unique sensitivity to impacts on the scenic values of their settings and are highly vulnerable to direct and indirect visual impacts.” “The bund has little value to the public in protecting it from visual impacts and it has negative impacts on views and the imagery critical to the operations of Coolmore. The bund has a negative impact on the visual aspects of that image and is associated with direct and indirect visual impacts ...” “There are risks that the bund may not be rehabilitated to the degree envisaged in the VIA (visual impact assessment) leading to negative impacts on the character, scenic quality and the cultural heritage values of the rural setting that is critical to the imagery of the studs.”	Appendix 5 14-15 Appendix 5, p16
	“Dynamic view experiences would provide the circumstances for any employee or permanent resident and for many	Appendix

	visitors to the studs to perceive sufficient visual information on which to base an understanding of the presence of the adjacent mining operations.”	5, p 13
	“Visitors to the studs, who commonly would be clients, may find features of the adjacent mining landscape, compared to the scenic quality, character and blue ribbon imagery of the studs themselves and their wider settings to be discordant and a negative impact on both the scenic quality and the image projected by the studs.”	Appendix 5, p 13
	“West of Jerrys Plains at present there is something of a break ... which assists the sense of continuity of the studs with the adjacent rural landscape and also with the sense of isolation that is part of the imagery of these places.”	Appendix 5, p 13
	<p>The Gateway Panel reinforced the PAC’s conclusions:</p> <p>“The Panel finds the potential impacts of the proposed mine on the Critical Industry Clusters are significant. These potential impacts include those from dust, noise, vibration and blast overpressure and most importantly, loss of landscape values through diminished visual amenity. Loss of landscape values is considered the most material potential impact, as landscape values underpin the core businesses of both Critical Industry Clusters, eg the nearby Coolmore and Woodlands (Darley) thoroughbred horse studs and the Arrowfield Estate vineyard and winery.”</p> <p>“The proposed mine will cause significant deterioration of landscape values which underpin the Coolmore and Woodlands (Darley) stud businesses. As this threatens the viability of these two businesses in the Upper Hunter region, then the sustainability of the Equine CIC itself is threatened by the proposed mine.”</p>	3
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APPENDIX 2 – RESPONSE TO DR KANNEGIETER’S COMMENTS

	STATEMENTS BY DR KANNEGIETER	PAGE	RESPONSE
1	“Success in racing and breeding is determined mostly by genetics. Owners wish to breed the best with the best and will do so irrespective of where the horse stands”	6	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>Industry experience and recent investor decisions do not corroborate this statement by Dr Kannegieter.</p> <p>Success is only partly determined by genetics. Environment and rearing are equally important. Topography related to hills builds bones strength and lung capacity. Hard ground creates strong feet. Soil fertility relates to good pasture and nutrition. Where a horse is reared is a critical component to success in breeding and racing.</p>
2	“Owners do not choose a stallion based on the visual impact the stud presents. They will send a mare to a stallion anywhere in Australia if they consider him the most suitable mating for that mare.”	6	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement demonstrates a complete lack of understanding of the Thoroughbred Breeding Industry’s business model that is premised on image and reputation, scenic landscape, and a clean environment. It also contradicts his statement at 13 below.</p> <p>It is correct to assume however, that if Coolmore and Darley Australia were to relocate interstate, they would take their clients with them and in so doing, this would trigger the fragmentation and demise of the Hunter Valley’s critical industry cluster.</p>
3	“Branding is important as it helps to identify one sellers good or service from competitors. ... While the brand of these studs (Coolmore and Darley Woodlands) is important in the equine industry it primarily relates to the racing and breeding credentials of the stallions and brood mares it uses and the progeny that can be produced rather than the landscape within which they operate.”	6	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement demonstrates a complete lack of understanding of the Thoroughbred Breeding Industry’s business model.</p>
4	“It is difficult to visit any stud in the Hunter Valley without seeing coal mines in close proximity to the horse operations which has the effect of minimizing any effect on any one equine stud “brand” in the Hunter Valley”	6	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>Suffice also to say we do not agree with this statement It is misleading and completely wrong.</p> <p>There are, for example, no coal mines visible in the Segenhoe Valley, an integral part of the Hunter Valley. One can visit major stud farms –</p>

			<p>including Arrowfield, Vinery, Newgate, Segenhoe, Kia Ora, Glastonbury, Turrunga without being aware of a coal mine.</p> <p>One can also enter the Hunter Valley from the North and visit Cressfield, Riversdale, Willow Park, Murrula, Emirates Park without seeing a coal mine.</p> <p>When travelling up the Golden Highway towards Darley and Coolmore one can travel for many kilometers without sighting a mine.</p>
5	<p>“It should be taken into consideration that Darley’s Woodlands Stud is only used for broodmares and foals, with the stallions kept at a separate property (Kelvinside) which is well away from Woodlands Stud and the project. Even if Woodlands relocated their mares from the current property they would be very unlikely to move the stallions from Kelvinside as they are reliant on the high concentration of broodmares in the Hunter Valley for commercial success.”</p>	6	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>These assumptions with regard to Woodlands are factually incorrect. Prior to its purchase by Darley, the Woodlands stud farm was utilized for both broodmare and stallion operations.</p> <p>Under Darley’s ownership the Woodland’s stud has also been utilized to house Darley stallions and will continue to do so in the future.</p> <p>The stud farm in the future will be used for both stallion and broodmare operations.</p>
6	<p>“Owners perceptions will not be affected by the presence of the mine provided the studs can give full assurance that the mine will not have any adverse impact on the health of the mare or any progeny born or raised on the stud.”</p>	7	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement fails to acknowledge the commercial reality of the Thoroughbred Breeding Industry, or the industry’s business model. Coolmore and Darley could not give full assurances to their clients because:</p> <ul style="list-style-type: none"> • their own independent expert advisors have identified numerous risks associated with this project; and • such assurances would probably have legal implications which if proven otherwise by a client could result in significant financial cost. <p>Further the burden of proof lies with Anglo American, not with Coolmore and Darley.</p> <p>International investors, clients and experts, whose comments are appended to this submission, also refute Dr Kannegieter’s statements.</p>
7	<p>“The scientific evidence strongly supports there will be no adverse impact on equine health, including mares, foals or reproductive rates. Both Coolmore and Darley should carefully review the documentation provided in the Equine Health Impact Assessment and if they agree with the extensive scientific analysis provided they should publicise this to ensure no clients gain the impression that the Project might have an adverse effect on the mares or progeny raised there”</p>	7	<p>The HTBA, Coolmore and Darley and our respective experts, have disputed Dr Kannegieter’s findings in all of our submissions. They have found:</p> <ul style="list-style-type: none"> • serious deficiencies in the Anglo American’s air quality analysis; • unacceptably high visual risks which will irreversibly alter the Hunter Valley landscape and topography;

			<ul style="list-style-type: none"> equine health assumptions and statements that are incorrect, misleading or have little relevance to the horses in the Hunter Valley. <p>Dr Kannegieter and Anglo American are arguing that a reverse onus of proof should be applied despite our experts having identified very real and high risks associated with the proposed Drayton South mine. Our economic experts, Marsden Jacob have commented on this matter in their review of Dr Kannegieter's opinions included in Anglo American's Justification report.</p>
8	"If as a worst case scenarios, either or both studs chose to leave their current locations it is likely to have only a short term effect on the CIC (critical industry cluster) "	7	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter's qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>The PAC findings and our economic experts' advice (see Marsden Jacob Associates reports) dispute this opinion.</p>
9	"For example, ... Patinack Farm no longer exists in its previous form. This "main actor" has effectively been lost to the CIC yet despite this the CIC has continued to function effectively."	7	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter's qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>The comparison to Patinack farm demonstrates a clear lack of appreciation of the market impacts that would result from Coolmore and Darley Australia leaving the Hunter Valley and taking their market with them.</p> <p>Our economic experts, Marsden Jacob provide further information on this matter in their review of Dr Kannegieter's opinions included in Anglo American's Justification report.</p>
10	"A major problem with relocating is the established infrastructure on both studs, in particular the extensive housing provided on site for staff, veterinary facilities, pasture movement etc. Further if the studs were to relocate, many staff members would not follow the studs outside the Hunter which may significantly affect the functioning of the stud, particularly in the short term"	7	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter's qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement demonstrates a lack of understanding of the business model that underpins the Thoroughbred breeding industry and the importance of image and reputation to the successful operation of international scale thoroughbred breeding studs.</p>
11	"If the studs were to relocate it is most likely to be elsewhere in the Hunter Valley, which would also not negatively affect the CIC"	8	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter's qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>Dr Kannegieter presents no credible and market-based evidence that there is comparable land that is not subject to mining encroachment in the Hunter Valley.</p>

			The reality is that the expanding mine footprint means that there is no investment certainty for landholders in the Hunter Valley and therefore no motivation for studs to relocate in the same area where mining threats remain high.
12	“The high concentration of stallions in one or two studs may not be healthy for the CIC and can adversely affect the ability of smaller studs to operate or compete effectively. It is similar to the domination of Coles and Woolworths in the supermarket industry”	8	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>Dr Kannegieter presents no credible evidence to support this claim and demonstrates a lack of understanding of global thoroughbred breeding industry practice.</p> <p>Our industry experts disagree with this statement.</p> <p>A high concentration of stallions in one or two studs is a normal occurrence in each leading commercial thoroughbred industry world-wide. This model does not adversely affect the ability of smaller studs to operate or compete effectively. Smaller studs often compete by standing stallion prospects with high syndication value and broodmare numbers. Smaller studs also stand stallions for different market segments.</p>
13	“It is important to remember that stallions need mares to service and were Coolmore or Darley to leave the Hunter Valley the mares would likely not follow in the number that currently use the stud.”	8	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement is contrary to the statement that Dr Kannegieter makes in quote 2 above.</p>
14	“It is my understanding that the Hunter Valley has the highest concentration of Thoroughbred broodmares in Australia. Therefore while these studs are useful for the CIC it is equally important for them to be in the Hunter Valley. It is very much a symbiotic relationship with mare owners in that without the mares Darley and Coolmore could not maintain their position in the CIC.”	8	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement is fundamentally at odds with, and contrary to a substantiated understanding of the nature of the Thoroughbred Breeding Industry.</p>
15	“Scone could continue to promote itself as the “Horse Capital of Australia” with or without Darley or Coolmore.”	8	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution.</p> <p>This statement demonstrates a complete lack of appreciation of the Hunter’s thoroughbred breeding industry.</p> <p>The PAC findings, those of its advisers and our expert advisers (see Marsden Jacobos Associates reports) all refute Dr Kannegieter’s opinion.</p>
16	Re Golden Highway via Jerry’s Plains – “This approach to the Hunter Valley was described in	11	This comment is a broad statement which again does not reflect a

	some submissions as the “alternative gateway to the horse breeding capital of Australia. Along this route many existing mines are very close to the road and highly visible.”		qualification or experience in visual impact issues. It also does not acknowledge the findings of Dr Lamb or the PAC, and therefore does not address the matters raised in those findings. Dr Lamb’s report (Appendix 5 of the PAC report), the PAC’s own findings, and the report of our experts, Mr Wright and Ms Veale, all attest to the “sense of continuity with the wider rural landscape and the sense of isolation” that provides a “sense of place” at both Coolmore and Darley studs. (PAC 2013, Appendix 5, p7)
17	“The vast majority of purchasers of yearlings would not visit the studs prior to bidding on horses at the major sales. Most buyers rely on the opinion of leading trainers or will inspect the horses at the sales site. Major buyer representatives at sales, such as trainers and bloodstock agents, will visit the stud however it is unlikely they would be greatly concerned by the presence of the mine given the long term association of mining with the Hunter Valley. It is not in the interests of these representatives to provide comment on the perceived negative impact of the Project when attempting to encourage clients to purchase horses they have selected.”	12	It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution. Dr Kannegieter’s claims patently do not represent a correct analysis of the practice of industry operators and, again, no support or substantiation for these propositions is provided by Dr Kannegieter. With respect to the comment on visit to the farms see also comments to item 20 below.
18	“The primary consideration in selecting yearling horses is pedigree followed by type and conformation. The area the horse has been raised is usually not a consideration and no scientific data exists to support the concept that one particular location is superior to another once the effects of pedigree have been removed”	12	It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution. We dispute the statement in any event. Pedigree and type are only a starting point in yearling selection. The farm, including nutrition, topography, managements systems, pasture and environment are very important factors.
19	“Many mare owners would only send their mares to be served at the stud on a walk in walk out basis (daily or very short stay) so would not visit in that time.”	12	It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution. We dispute this statement, particularly in the case of Coolmore stud where client broodmares are housed. See also our comments in Item 20 below.
20	“It is my understanding that the majority of visitors to the stud would be just prior and during breeding season, likely from July/August to November these owners would be greatly reassured were the Studs to provide the correct advice that the Project has no impact on equine health.”	12	This statement demonstrates that Dr Kannegieter is apparently not familiar with stud exposure to clients and the public in general. The studs’ hosts open days every August – where some 5,000 clients, investors and visitors visit the Hunter Valley (Coolmore and Darley host some 1,000 guests each at their stallion parades). The thoroughbred breeding and foaling season between August and December each year sees a constant stream of clients and visitors to the studs; During the November and December period the stud farms have a constant stream of inspections in the lead up to the Magic Millions

			<p>yearling sales in January.</p> <p>February to March witnesses similar inspections in the lead up to the Easter yearling sales.</p> <p>The month of May, each year, hosts the Scone festival culminating in the 2 day stand-alone Scone Cup. Thousands of visitors come to the Horse Capital and visit the stud farms during this period.</p> <p>In addition, there is a constant stream, and bus loads of tourists who visit the studs year round.</p>
21	<p>“It is my opinion that Coolmore and Darley are extremely unlikely to move their operations from their present locations. If they did relocate it would be elsewhere in the Hunter Valley as they are reliant on high concentration of broodmares to ensure they obtain full value from their stallions.”</p>	12	<p>Both the Chairman of Coolmore and the Managing Director of Darley gave evidence to the PAC contrary to Dr Kannegieter’s claims. This evidence was reinforced in the statements they lodged following their presentations to the PAC.</p> <p>Dr Kannegieter’s statement regarding reliance on the concentration of broodmares misrepresents or misunderstands and does not reflect the fundamental business model upon which thoroughbred breeding industries are based. It also represents inherent contradictions in Dr Kannegieter’s claims (see item 2 above).</p>
22	<p>“if the studs did decide to relocate outside the Hunter Valley the CIC can more than adequately cope with their departure however these studs would encounter difficulties were they to relocate outside the Hunter Valley CIC.”</p>	12	<p>Dr Kannegieter does not provide any factual basis for this statement, and the assertions are disputed</p> <p>The PAC and its advisers, and our expert adviser, (see Marsden Jacob Associates) provide ample information and independent assessment on the importance of Coolmore and Darley to the equine critical industry cluster, to breeding and racing in general which clearly contradicts Dr Kannegieter’s assertion.</p>
23	<p>“It is my opinion that ... there should be no impact on the horse studs in relation to horse health, behaviour, production or sales.”</p>	12	<p>Industry professionals, veterinary experts, scientific evidence and international experts contradict this statement.</p>
24	<p>“It is my opinion that the predicted impacts of the Project in regard to the CIC have been heavily overstated. ... there is a multitude of reasons why the studs would not leave the current locations. Additionally I do not believe that the relocation of Coolmore or Woodlands (Darley) would result in the demise of the Upper Hunter Equine CIC.”</p>	13	<p>It is unclear upon what factual basis this assertion is made. We also note Dr Kannegieter’s qualifications appear to be only as a veterinary surgeon (Specialist Equine Surgeon) and these statements ought to properly be dealt with caution. Dr Kannegieter’s opinion does not conform to the PAC’s conclusions, advice provided to the PAC by its experts and our experts. We respectfully disagree with Dr Kannegieter.</p>