

DIGGING HOLES IN THE HUNTER

Coal mining in the Hunter Valley in NSW threatens the fabric of Australia's great thoroughbred breeding region, and a fight is brewing.

WORDS JESSICA OWERS



On January 29, 2014, the public gallery in the NSW Parliament cheered a victory for the little people. The Mining Amendment Bill had passed, expunging the corrupt and controversial mining licence of Doyle's Creek, Jerry's Plains. There would be no compensation for NuCoal, the licence holder, and little chance of a successful appeal. It was time to celebrate.

Except that there was still the issue of Drayton South.

Located on the road between Muswellbrook and Singleton in the Upper Hunter Valley, the Drayton South proposal is an extension of Drayton mine, a 30-year-old open-cut coal seam operated by Anglo American.

Promising the NSW State Government \$35 million in royalties every year, along with 500 local jobs, it is 500 metres from the embattled boundaries of Coolmore and Darley (Woodlands) studs.

The seriousness of Drayton South is immeasurable.

Two independent Planning Assessment Commissions (PACs) have recommended the refusal of the project. They concluded that open-cut coal seams could not co-exist with international thoroughbred breeding in such proximity. Dr Cameron Collins, president of the Hunter Thoroughbred Breeders Association (HTBA), put it bluntly before the Planning Assessment Commission last October.

"This proposal is not co-existing," he said. "It is a hostile takeover."

The HTBA has been very clear: it is not against mining, it is against this mine. NSW Mining doesn't concur. Its CEO, Stephen Galilee, issued a press release in early April saying "a decision seems to have been taken to adopt an 'all or nothing approach' to shut down mining in the Hunter. The local horse studs seem to have decided no compromise is possible".

Were that true, which it isn't, would you blame the breeders?

Open-cut mining leaves a permanent stain on the landscape, something akin to a lunar landscape. The Hunter Valley has long been carved and blasted for coal, but parts of the region are so scarred today that it is driving away new investment.

Recently, the Qatar Racing operation of Sheikh Fahad Al Thani crossed the Hunter off its

list of possible locations for a southern hemisphere farm.

"What surprised me was just how open cast all the mines were," said David Redvers, bloodstock advisor to Qatar Racing, after a Hunter Valley flyover. "For there to be that much dust in the atmosphere, in what is already a dry atmosphere in Australia, it has to be a huge concern."

Redvers's comments got national play across the country, and that grim reality was a kick the HTBA needed. Nothing had highlighted the troubled fate of Hunter Valley horse breeding like the quick "no thanks" from Qatar Racing.

However, Sheikh Fahad had the benefit of moving along in search of greener fields, unlike the hundreds of long-established breeding farms in the Upper Hunter Valley, whose

investment in the famous region has been substantial. Many, including Coolmore, speak in the conditional tense these days. 'If we leave here, we'll never find another farm like this one,' says Coolmore's Tom Magnier of their spot in Jerry's Plains.

There are strong, unconfirmed rumours across the Hunter that Coolmore has been searching for new digs, and has been for two years. The fighting Irish had fought off Doyle's Creek with the HBTA (15 per cent of Doyle's Creek had sat under Coolmore), but Drayton South is a far scarier prospect. Unlike Doyle's Creek, it is an open-cut proposal. It has the potential, the HBTA says, to bring the Hunter breeding industry to its knees.

The experts who advised the two independent PACs found that the Drayton South Environmental Assessment (EA) neglected the importance of both Coolmore and Darley. They advised that these two operations, the largest in the region and, arguably, the world, should be provided absolute protection from the impacts of open-cut mining.

Yet this is impossible. The PAC stated that Drayton South would jeopardise air quality, impact the quantity and quality of both ground and surface water, and that dust

control would be an enormous challenge. The HBTA also believes that Anglo American has exaggerated the benefits of the Drayton South project.

"The costs and risks of this mine have been downplayed, and the impacts on our industry have been entirely ignored," Dr Collins says.

Anglo American states it has compromised its Drayton South plan by \$6 billion "in light of the PAC report and our commitment to co-existence". But the 500 local jobs it is promising to the mine seem like loose change when at risk are the thousands involved in the slow unwinding of Upper Hunter breeding.

"Jeopardising the future of an entire industry for the sake of one mine is a risk not worth taking," says Dr Collins. There are thousands of objections storming Parliament that say similar.

The problem, however, is the net worth of NSW mining. In 2011/2012, it was \$24.5 billion, of which \$20.7 billion was coal. Coal accounted for a staggering 35 per cent of all merchandise leaving NSW, making it the state's most valuable commodity export.

And then there's the handy pocket money that goes to the state government. In 2012/2013, NSW miners returned \$1.48 billion in royalties to the

NSW Government. How could thoroughbred breeding ever compete with that?

The HBTA says dollars and cents shouldn't be the measure of worth. In 2012, the NSW Government announced a Strategic Regional Land Use Policy for the Upper Hunter in which it recognised the importance of thoroughbred breeding, and promised that breeders would be protected. A "Critical Industry Cluster" (CIC) was defined, with Coolmore and Darley right in the middle of it. But the Drayton South proposal, says the HBTA, is absolutely deficient in recognising this CIC.

And then there are the conflicting statistics. Since 2001, there has been a 10-fold increase in the quantity of coal being blasted out of the Hunter Valley, a figure that, according to NSW Mining, is rising by 10 per cent each year. Yet compared to agriculture and tourism in the region, there is declining employment in the coal industry. *The Newcastle Herald* reported in late May that Hunter mining was on the decline, owing to a slowing demand from Chinese and Indian markets that has led to an oversupply of coal.

Consider also that mining is not even in the top five employers in the Hunter region. It is ninth.

However, Australia clings to mining with such aggression that horse breeders can never sleep easy. Doyle's Creek may be off the agenda today, but the stuff it was targeting is still under the ground, and that means tomorrow will always be another day.

So Anglo American can harp on about co-existence and compromise all it wants, because there are dozens of horse breeders in the Upper Hunter who will tell you that the road to hell is paved with such good intentions. **U**

VICTORIA'S GAIN

It's quite possible that the mining issues in the Hunter Valley could benefit Victoria.

Sheikh Fahad al Thani's racing and breeding manager, Englishman David Redvers, claimed that after flying over the Hunter Valley and being appalled by the damage to the environment caused by coal mining, that the burgeoning Qatari outfit would look elsewhere to establish a breeding farm in Australia.

Redvers was concerned about the coal-dust damage to the lungs of young horses.

"(It was) shock and sadness at seeing just how huge the scale of destruction is there of what is prime country," he said.

Redvers went on to say he would look at properties in Victoria and New Zealand.

It would be a major coup for Victoria to attract Qatar Racing. No doubt there is the available land, and not necessarily in the prime area of the north-east, around Nagambie, where a number of high-profile breeders have set up shop, including Sheikh Mohammed bin Rashid Al Maktoum, who has developed historic Northwood Park, near Seymour, for his Darley operation.

There is considerable growth in the Geelong region, where Rosemont Stud has taken over Tony Santic's Makybe farm, and also around Bendigo on the Loddon River, where Peter and Pauline Liston have developed a beautiful farm, Three Bridges Thoroughbreds.

Another more traditional area for thoroughbred breeding in Victoria is in the Sunbury district, which was the state's first great thoroughbred breeding district and it has had a resurgence with the huge investment in Eliza Park by the China-based Sun International.

—DANNY POWER

