



**TIME TO PROTECT
THE HUNTER VALLEY'S
STATE SIGNIFICANT
AGRICULTURAL LANDS & INDUSTRIES**

The Hunter Thoroughbred Breeders Association and the Hunter Valley Wine and Tourism Association call on both the NSW Coalition and the NSW ALP to unequivocally commit to protecting our state significant industries and lands by:

- Prohibiting new open cut, underground and CSG mining on and within 10kms of the equine and viticulture critical industry clusters through the prohibitive development clause (9) of the SEPP (Mining, Petroleum Production and Extractive Industries) 2007;
- Listing the equine and viticulture critical industry clusters with 10km buffers in the Rural Lands SEPP 2008; AND
- Passing legislation, within the first hundred days of being elected, that will permanently protect the equine and viticulture critical industry clusters with 10km buffers from new mining proposals for the benefit of the NSW economy and future generations.



TIME TO PROTECT THE HUNTER VALLEY

The Hunter Valley is renowned for its award winning wines, premium thoroughbreds and its important and growing tourism sector. Inexplicably these areas are unprotected from coal mining.

These three pillars of sustainable economic growth and development for the region and the State are all under threat from invasive and intrusive mining which is threatening sustainable long term industries, jobs, investment and communities.

The Hunter's winemaking and thoroughbred breeding industries are iconic. They personify the Hunter's national and international reputation as a producer of world renown wine and thoroughbred champions.

These industries are recognised as significant critical industry clusters worthy of protection. Together they inject more than \$4.5b into the NSW economy, support (directly and indirectly) nearly 100,000 jobs in NSW and attract over 3 million visitors to the Hunter region.

In the lead up to the 2011 election many promises were made to protect the NSW wine and thoroughbred industries as well as prime productive agricultural lands.

The NSW Liberals and Nationals, in their Strategic Regional Land Use Policy released on 15 February 2011, promised to "implement a strategic land use planning process which would identify strategic agricultural land and associated water **and ensure that it is protected from the impacts of development.**"ⁱ

"The NSW Liberals and Nationals believe that agricultural land and other sensitive areas exist in NSW where mining and coal seam gas extraction should not occur."ⁱⁱ

The ALP's Coal and Coal Seam Gas Plan released on 15 March 2011 promised to ***"introduce exclusion zones to support valuable industries such as the Hunter Wine Industry, the thoroughbred industry as well as prime productive agricultural land."***ⁱⁱⁱ

Both the NSW Liberal & National Coalition and the ALP promised to restore balance and provide certainty. Both recognised that there are areas where mining and coal seam gas extraction should not occur. Both promised to identify and protect valuable agricultural lands and industries from mining and extraction activities because they are environmentally, socially or economically significant.

Four years on these significant agricultural lands and industries have been identified, mapped, and recognised as strategically significant agricultural industries. Yet they have not been protected from coal mining. Uncertainty reigns and the Government's planning system has not delivered certainty and the promised protection.

The NSW Government has the legislative tools at its disposal to act NOW to redress decades of bad planning, protect our sustainable industries, long-term jobs and retain NSW's attractiveness as an investment location.

The Hunter Thoroughbred Breeders Association and the Hunter Valley Wine and Tourism Association, their members, supporters, clients and families now call on both the NSW Coalition and the NSW ALP to unequivocally commit to protecting our state significant industries and lands by:

- Prohibiting new open cut, underground and CSG mining on and within 10kms of the equine and viticulture critical industry clusters through the prohibitive development clause (9) of the SEPP (Mining, Petroleum Production and Extractive Industries) 2007;
- Listing the equine and viticulture critical industry clusters with 10km buffers in the Rural Lands SEPP 2008; AND
- Passing legislation, within the first hundred days of being elected, that will permanently protect the equine and viticulture critical industry clusters with 10km buffers from new mining proposals for the benefit of the NSW economy and future generations.





HTBA

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ASSOCIATION

HUNTER VALLEY

WINE AND TOURISM ASSOCIATION





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TIME TO PROTECT SUSTAINABLE INDUSTRIES, LONG TERM JOBS AND INVESTMENT

“The message I want to leave you all today is this: if any proposed mining or gas extraction activity is likely to harm our prime agricultural land or other important rural industry clusters or the water resources associated with those areas, it will not go ahead under this government.”

NSW Deputy Premier, 1 May 2012

Land Use Conflict in the Hunter Valley

In the lead up to the 2011 State election, both major parties responded to community concerns regarding the need to resolve land use conflicts, protecting agricultural land and water, the importance of diversified economies, the need for balance in the Hunter Valley and restoring trust in the NSW planning system.

The legacy of land use conflicts in the Hunter Valley is a result of decades of bad planning by successive Governments.

The Strategic Regional Land Use Plans were intended to map and protect large parts of the Upper Hunter region as high value agricultural land, support sustainable growth and inject much needed balance and certainty to regional communities,

Many promises were made to balance strong economic growth in regional NSW with sustainable management of natural resources and the protection of agricultural land. This has not been delivered.

We were promised a tougher more rigorous planning system. A system that defined and protected strategic agricultural land, which required cumulative impact assessments, a triple bottom line approach to development, and upfront scientific assessment through a new Gateway process. We were told that this new system would result in inappropriate proposals being ruled out of the planning system at an early stage.

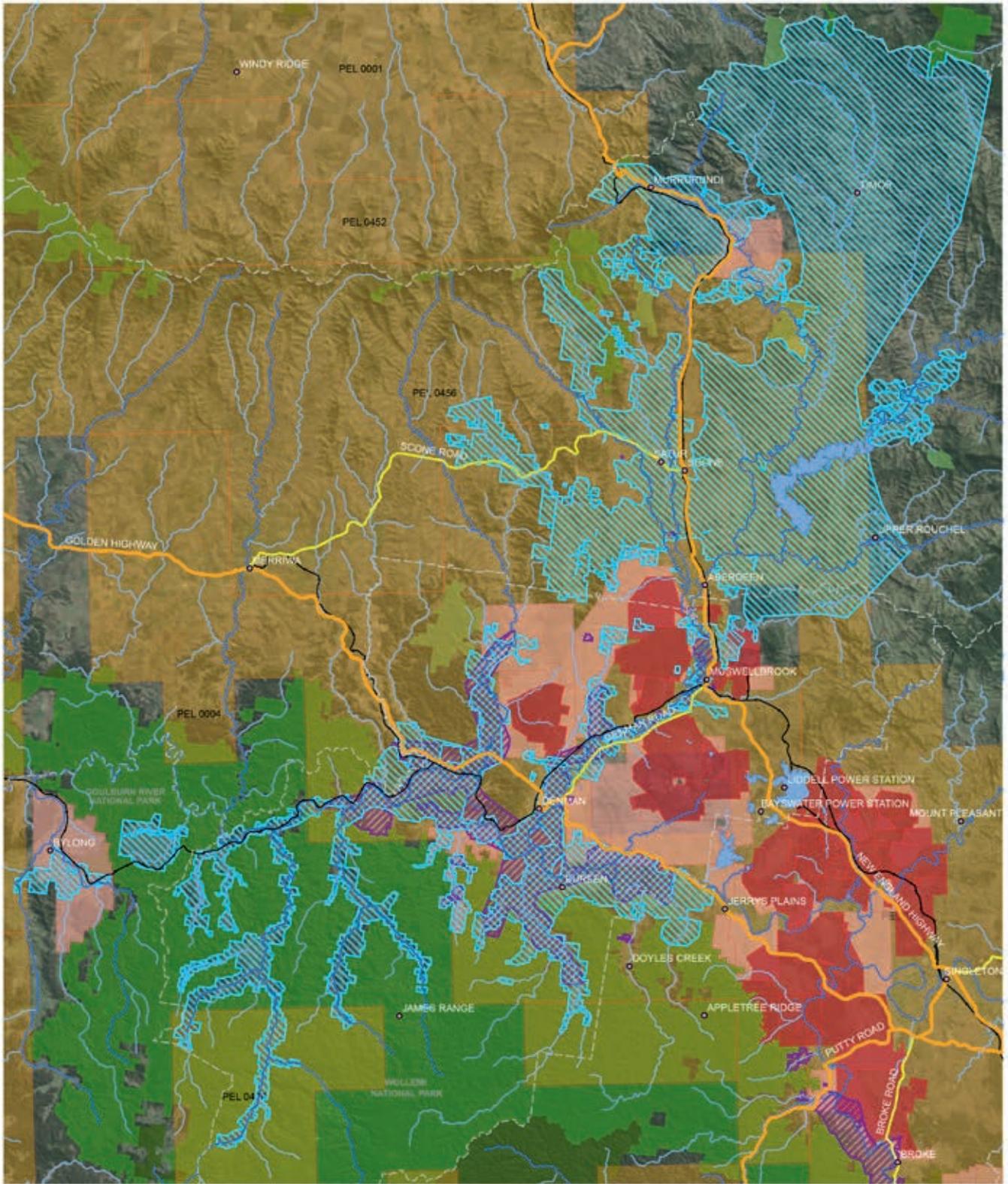
Four years on, and despite these good intentions:

- the triple bottom line approach has not been implemented;
- cumulative assessments of mining impacts on regional communities are lacking;
- the Gateway process is a process with no gate. All mining applications pass through.

The NSW planning system does not provide any upfront assurance for communities and businesses.

It imposes unnecessary uncertainty on agricultural investment and puts at risk long term sustainable jobs.

Rather than resolving land use conflicts, the current planning system perpetuates them.



Legend

- Local Government Boundary
- Principal Road
- Secondary Road
- Railway
- Equine Critical Industry Cluster
- Viticulture Critical Industry Cluster
- Coal Titles - Mining
- Coal Titles - Exploring
- Petroleum Titles
- National Park
- Nature Reserve
- State Conservation Area
- State Forest
- Reservoirs
- Major Watercourse
- Minor Watercourse



Hunter Thoroughbred Breeders Association Mapping

MAPPED BUT NOT PROTECTED

"I can tell you my intention as the planning minister is to have a process that works for the whole state but does actually achieve, no doubt about it, I want to see the Liverpool Plains, the thoroughbred industry and the viticulture industry protected."

The Hon Brad Hazzard interview with Alan Jones, 7 March 2012

The NSW Coalition Government has for the first time in the State's history mapped the Hunter Valley's strategic agricultural land. Despite this recognition, it remains unprotected from coal mining.

Through its Strategic Regional Land Use Plan for the Upper Hunter, the NSW Government has identified and mapped land with unique natural resource characteristics (biophysical strategic agricultural land) and clusters of significant agricultural industries (critical industry clusters - "CICs").

It has identified and recognised the equine and viticulture industries as two industries and critical industry clusters in the Upper Hunter region that are of national and international significance.

The intended purpose of creating the CICs was to establish measures to protect these industries from the impact of coal seam gas and mining activities.

In February 2013 the former NSW Premier announced tough new rules and no go zones for coal seam gas near suburbs, towns and on critical industry clusters. In his announcement on 19 February 2013 the former NSW Premier said the NSW Government has listened to community concerns about coal seam gas.

"My Government has listened and acted. ... Families in residential areas should not have to worry about their quality of life being affected by noise, visual impacts and other effects of coal seam gas mining."

Since that time the NSW Government has unveiled further plans to reset the areas open to coal seam gas, extinguished CSG licences which covered 43 per cent of the state and is setting a new framework to determine appropriate areas to extract gas taking economic, environmental and social factors into account.

The question Hunter Valley communities are asking is why is the NSW Government failing to apply a similar policy to coal mining which is more intrusive, invasive and impactful on regional communities quality of life, our environment, noise, health and visual amenity?

If Governments are genuine about protecting the long term future of strategic agricultural lands and industries, their water sources and the hundreds of thousands of long term jobs they create throughout NSW, they must act NOW to protect them.



STATE SIGNIFICANT AGRICULTURAL LAND – WORTH PROTECTING

The Upper Hunter region is one of the State's most fertile and productive agricultural areas. The agricultural industry is worth around \$5.9 billion annually to the regional economy, with dairy, horse breeding, viticulture and beef cattle industries being the major contributors.

Strategic Regional Land Use Plan, Upper Hunter, 2012

Three independent Planning Assessment Commission reports^{iv} and the findings of all 6 scientific experts comprising the NSW Government's Gateway Panel agree that international scale thoroughbred breeding enterprises and open cut coal mining are incompatible land uses.

In its 2013 Review Report the Planning Assessment Commission recommended that the Coolmore and Darley horse studs were essential to the broader Equine Critical Industry Cluster and should be given the highest level of protection from the impacts of mining.^v

The NSW Government's Independent Gateway Panel in its 2013 report found that "open cut coal mining... and thoroughbred horse studs of the nature and scale of Coolmore and Darley, and importance to the sustainability of the Upper Hunter Equine CIC, are incompatible land uses that cannot co-exist in close proximity to each other."^{vi}

In its 2014 Determination Report, the Planning Assessment Commission concluded that the equine industry in the Hunter Valley is a vibrant, growing and sustainable industry that is important to the regional, NSW and Australian economies.^{vii}

The Commission was persuaded that the image of a "clean green environment" is a critical component of the studs operations in the Hunter Valley and plays a significant role in investors' perception and confidence to invest. There is a significant risk that the close proximity of an open cut coal mine and the indirect and residual impacts of the mine operation will tarnish the image of the area, causing not only damage to the equine industry but to the viticulture and tourism industries as well.^{viii}

It also found that it was in the public interest to maintain and develop a diversified economic base for the region and the State^x and that extraction of the [coal] resource should not result in significant negative impact on the equine and viticulture CICs as provided in the SRLUP.^x

The Commission supported the recommendation of the PAC Review Report and the Gateway Panel report that the studs should be afforded the highest level of protection.

Despite four reports penned by 15 independent NSW Government experts calling for the highest levels of protection and attesting to the damage caused by coal mining for the Hunter's equine, viticulture and tourism industries, no protections are in place, uncertainty reins and the land use conflicts in the Hunter Valley remain unresolved.



CO-EXISTENCE — CAN ONLY BE ACHIEVED WITH BUFFERS

Co-existence is a term used to conceal and avoid dealing with decades of bad planning and the real and growing land use conflict issues now in the Hunter Valley.

It is a term used to avoid taking hard decisions.

Mining, agriculture, horse studs and viticulture have existed in the Hunter Valley region for many years but **not in close proximity.**

30 years ago mining in the Hunter Valley was mostly underground and some 30km away from prime agricultural lands, wineries and international scale thoroughbred breeding operations.

Today open cut coal mining is no longer in the distance it is on our doorstep. One open cut mining project is proposed to be within 1km of our farms where families work, live and raise their children.

Today coal mining encroachment is threatening our future viability, harming our environment, fragmenting communities and jeopardising sustainable long term industries, jobs and investment.

This cannot and should not be allowed to happen.

The Hunter Valley's sustainable industries are and will continue to be, critical to strong, vibrant, economically diverse regional communities.

What we need is vision from our political leaders to protect the sustainable industries that are the key to our current and future jobs and investment growth.

We should not risk the long-term sustainable future of agriculture for short term, finite mining gains.

No rational person in the city would chose to live next to a coal mine. No rational tourism operator would open a hotel, tourist or theme park next door to a coal mine. No rational sporting organization would chose to open an Institute of Sport next to a coal mine.

Living or operating next to a coal mine is anathema to any business model based on "clean green image," a reputation for breeding elite athletes or producing fine foods and award winning wines — all of which are the foundation stones of the Hunter Valley's equine, wine and tourism industries.

Any rational person who understands the nature of agriculture compared to mining would know that co-existence is not possible without appropriate buffers in place.



APPROPRIATE BUFFERS

The situation in the Hunter Valley is unique. Nowhere else in the world are coal mines allowed to encroach so close to world class thoroughbred breeding industries and viticulture industries.

What is an appropriate buffer?

A number of independent NSW Government expert reports have called for “suitable”, “considerable”, “appropriate” buffers to be put in place to mitigate and shield studs and wineries from the impacts of mining. In December 2013 the Planning Assessment Commission noted “*It is difficult to define an appropriate buffer distance...*”^{xi}

The NSW Government’s independent Gateway Panel, in its report of December 2013 recommended that “*an appropriate buffer should be established*”^{xii}:

- A portion or distance of “buffer” land is required between the proposed mine and studs and Arrowfield Estate as these are amongst the most important of all core businesses within the Equine and Viticulture CICs;
- The “buffer” land should be sufficiently sized to negate all potential impacts of the proposed mine on the continued viability of the studs and vineyard and winery. This will include recognition of the importance of visual amenity and landscape values to both CICs and the core businesses within each;
- It is likely that an adequate buffer distance will be measured in kilometers, and be influenced by natural topography;
- The Panel considers that establishing a suitable buffer between mining activities and the CICs is the most appropriate mitigation strategy”.

Advisers to the Commission concluded that “a buffer between mining and CICs is necessary. A buffer of several kilometers was nominated as appropriate”^{xiii}. In its report to Government the Commission recommended “considerable buffering to shield the studs from the mine is necessary.”^{xiv}

The draft Strategic Regional Land Use Plan prepared by Government departments spatially defined equine cluster land with buffers of 15km of the New England Highway in the Upper Hunter LGA, and various buffers in the Muswellbrook, Mid Western Regional and Singleton LGAs including 10km from the Golden Highway.

Instituting appropriate buffers between mining and Critical Industry Clusters would help resolve the land use conflict and restore balance and certainty to the Hunter region — for all players.

To protect the Hunter’s economically strategic and significant equine and viticulture critical industry clusters, Government must act NOW to implement appropriate buffers to safeguard these industries, sustainable long term jobs and investment.

The Planning Assessment Commission rightly acknowledged that both Kentucky in USA and Newmarket in the UK have protections in place to safeguard their equine industries from incompatible developments and recommended that “similar protection should be provided to the Hunter Valley to ensure not only the survival of the equine industry, but also allow it to further develop”^{xv}.

In Kentucky USA the closest distance between mining and the protected thoroughbred breeding industry is some 70-135 km.

We acknowledge that this is not practical in NSW. The closest operating mine to the north of our international scale studs is 8-10 kms away.

Experience has taught us that while this is not ideal it is tolerable. What is not tolerable is mining at a closer distance and decades of uncertainty for our industries, employees and investors.

The Hunter is at a tipping point. Action is needed NOW to remedy decades of bad planning and resolve the land use conflict in the Hunter Valley.

The Hunter Thoroughbred Breeders Association and the Hunter Valley Wine and Tourism Association call on the NSW Government to introduce a 10 km buffer around the equine and viticulture critical industry clusters to protect them from new coal mining developments.

This will restore confidence, balance and certainty to the region.

GOVERNMENTS CAN ACT NOW – WE NEED CERTAINTY

The NSW Government has the legislative tools at its disposal to act NOW to redress decades of bad planning, protect sustainable industries, long-term jobs and retain NSW's attractiveness as an investment location.

A Bipartisan approach is critical to ensuring our strategic agricultural farming lands and critical industry clusters are protected.

State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007

Clause 9 of the State Environmental Planning Policy (Mining Petroleum Production and Extractive Industries) 2007 provides for prohibited development. Schedule 1 of this SEPP specifies development which is prohibited.

To date three cases of open cut mining or extractive industries within the local government area of Lake Macquarie City, Gosford City and the Upper Hunter Shire have been specified as prohibited development in this SEPP.

This SEPP could be used to *immediately* protect the Hunter's Critical Industry Clusters with a ten kilometre buffer.

State Environmental Planning Policy (Rural Lands) (2008)

In 2007 the then Minister for Planning and Primary Industries released the Report of the Central West Rural Lands Panel. A key recommendation of that Panel included the preparation of a new State environmental planning policy (SEPP) to support a strategic approach to rural planning across councils to manage land use conflicts ^{xvi}.

The Hunter Thoroughbred Breeders Association and Hunter Valley Wine and Tourism Association call on the NSW Government to immediately protect the equine and viticulture CICs by implementing a 10km buffer around the CICs and listing these areas as prohibited development for new mining developments in Schedule 1 of this SEPP in accordance with Clause 9.

In response to the Panel's findings, the State Environmental Planning Policy (Rural Lands) 2008 (Rural Lands SEPP) was introduced.

The aims of the Rural Lands SEPP include to:

- facilitate the orderly and economic use and development of rural lands for rural and related purposes;
- identify rural planning principles to assist in the proper management, development and protection of rural lands for the purpose of promoting the social, economic and environmental welfare of the State;
- implement measures designed to reduce land use conflicts;
- identify State significant agricultural land for the purpose of ensuring the ongoing viability of agriculture on that land, having regard to social, economic and environmental considerations;
- amend provisions of other environmental planning instruments relating to concessional lots in rural subdivisions.

- Part 4 of the Rural Lands SEPP relates to State significant agricultural land. The objects of this part of the SEPP are:
- a. to identify State significant agricultural land and to provide for the carrying out of development on that land,
 - b. to provide for the protection of agricultural land:
 - i. that is of State or regional agricultural significance, and
 - ii. that may be subject to demand for uses that are not compatible with agriculture, and
 - iii. if the protection will result in a public benefit.

There is no doubt that:

- NSW's equine and viticulture critical industry clusters are of state and regional significance;
 - The NSW Government has already mapped and identified them as such as part of the Strategic Regional Land Use Policy.
- both industries are subject to demands for uses that are not compatible with agriculture;
- the economic and social contribution provided by both these industries is both state and nationally significant and result in important public benefits (as illustrated in Annexes 1 and 2 of this report); and
- the protection of NSW's equine and viticulture Critical Industry Clusters will result in a public benefit (in terms of value added to the State, sustainment and creation of long term jobs, tourism and significant investment).

To date *no State significant agricultural land has been listed in Schedule 2 of the Rural Lands SEPP.*

The Hunter Thoroughbred Breeders Association and Hunter Valley Wine and Tourism Association call on the NSW Government to immediately introduce a 10km buffer around the equine and viticulture CICs and list these areas as State significant agricultural lands in the Rural Lands SEPP to protect these State significant agricultural lands from new mining developments, to ensure their ongoing viability and reduce land use conflicts in NSW.

Legislation for Permanent Protection

Protections under the above SEPPs are an important first step and will demonstrate leadership and goodwill to deliver on commitments made in 2011 to ring fence and protect the Hunter Valley's Critical Industry Clusters and help reduce land use conflicts in NSW.

But as subordinate pieces of legislation they do not provide long-term certainty and protection for NSW's State Significant agricultural lands and industries and do not provide the certainty needed to protect long-term sustainable jobs, regional communities and investment.

Permanent protections are needed. The Hunter Thoroughbred Breeders Association and the Hunter Wine and Tourism Association call on both major parties to show leadership and commit to a bi-partisan approach to protect the States significant equine and viticulture industries.

The Hunter Thoroughbred Breeders Association and Hunter Winemakers call on the NSW Government to pass legislation, within the first hundred days of being elected, that will permanently protect our sustainable lands and industries from new mining developments for the benefit of the NSW economy and future generations.



HUNTER VALLEY – HORSE CAPITAL OF AUSTRALIA

INTERNATIONALLY RENOWNED, NATIONALLY, STATE AND REGIONALLY SIGNIFICANT

The heartland of Australia's premier thoroughbred breeding industry is concentrated in the NSW Hunter Valley.

Economically Significant

The Hunter Valley's multi billion dollar thoroughbred breeding industry is a vibrant, world renowned and economically significant agricultural industry. It contributes \$5b every year to the national economy and supports over 230,000 sustainable long term jobs throughout Australia.

In NSW it contributes over \$2.6 billion to the NSW economy, supports over 50,000 people generating sustainable jobs and investment. It attracts tourism to our regions and delivers a diverse economic base for regional Australia.

In the Hunter Valley it is the largest agricultural industry and employer. It is 2 times the value of irrigated agriculture, 4.5 times the value of dairy and 10 times the value of meat and cattle.

It supports over 5,700 jobs ^{xviii}, 150 broodmare farms and a sophisticated network of equine support industries. Industries ranging from fodder and lucerne producers, farriers, saddlers, equine transport companies, hospitality and retail, and the largest equine hospital in the Southern Hemisphere. Industries that would not exist in the Hunter but for the thoroughbred breeding industry.

Our industry is also important in the city. In Western Sydney and Sydney it supports over 15,000 people and a wide range of industries including wholesale and retail trade, accommodation, food, beverage, entertainment, education, training, arts and recreation.

The NSW Government's own studies affirm that the thoroughbred and racing industry is a significant employer and contributor to the NSW economy.

Internationally Renowned

As one of three Centres of Thoroughbred Breeding Excellence in the world — alongside Kentucky in the USA and Newmarket in the UK — the Hunter Valley's thoroughbred breeding industry has a proud and envied reputation of producing and exporting the best thoroughbred champions in the world.

The Hunter Valley's industry represents the second largest concentration of studs in the world, second only to Kentucky USA. This concentration of world-class thoroughbred breeding operations reflects world scale operations and world's best practice.

World class operations attract world class investment. Over the past 15 years more than \$5b has been invested in the Hunter Valley's breeding, training and racing operations.

The record-breaking 2015 Magic Millions sale grossed over \$100m representing the biggest yearling sale conducted in the Southern hemisphere in almost seven years – over 80 per cent of which were by Hunter Valley stallions. The top 120 lots sold were all sired by stallions based in the Hunter Valley.

The 2014 Inglis Easter Yearling Sale produced similar results with over \$90 million in sales and the majority of the catalogue (over 80 per cent) produced by Hunter Valley. The 2015 Inglis Easter Yearling Sale is poised to be the biggest sale conducted in the last 5 years.

Operating in a unique environment

The Hunter Valley's unique environment — its heritage, scenic landscape, plentiful water systems, rich soils and undulating lands – are essential attributes for breeding and training world leading thoroughbred athletes, attracting investment and maintaining sustainable jobs and diverse economies.

Producer and Exporter of Champions

The Hunter Valley is the heart and home of Australia's premier breeding industry. It produces:

- over 50 per cent of all thoroughbreds born in Australia;
- 70 per cent in volume and 80-90 per cent in value of Australian thoroughbred exports;
- 75 per cent of all horses racing in Sydney and Melbourne;
- over 80 per cent of all yearlings at Australia's premier yearling sales.

Discerning clients travel far and wide to invest in Australia's premier stallions in the Hunter Valley.

Exports

The Hunter Valley's is Australia's premier thoroughbred export hub. The caliber and reputation of Hunter Valley thoroughbreds is reflected in the demand for Australian thoroughbreds from our Asian and Middle Eastern neighbors.

In 2013 Australia supplied over:

- 80 percent of thoroughbred imports into New Zealand,
- 58 per cent to the Philippines,
- 51 per cent to Macau,
- 46 per cent into South Africa,
- 43 per cent to Malaysia and
- 38 per cent to Hong Kong.

This trend will grow as the Asian markets grow and expand. Australia has an enviable reputation and track record of producing world champions. It is well positioned to take advantage of this growth and the value added opportunities it offers.

Part of Australia's sporting heritage and history

Since the first race staged by Governor Macquarie in Hyde Park in 1810 horseracing has been an important part of Australia's sporting history and heritage and is a quintessential part of our way of life.

From the breathtaking performances of Phar Lap, Tulloch, Makybe Diva to champion racehorses such as Choisir, Emancipation, Lonhro, Pierro, So You Think and Black Caviar, Australian and international audiences have been captivated by our champions of the turf — many of which have indelible links to the Hunter Valley.

Today the Hunter's thoroughbred breeding industry is vertically integrated to the NSW racing industry which supports:

- 134 race clubs — many of which are located in, and form an integral part of, regional communities
- over 31,000 owners and syndicate members;
- over 1,000 trainers;
- nearly 11,000 horses in training; and
- over 250 jockeys.

Thoroughbred breeding has had a proud place in our sporting history, our communities and way of life for over two centuries — and if protected can continue to grow and prosper.





HUNTER VALLEY WINE COUNTRY

The Hunter Valley “produces a wine (...) that is acknowledged as the best in the world, the benchmark. It is the same kind of advantage enjoyed by Burgundy and Bordeaux and Champagne.”

Campbell Mattinson — Australian wine writer

Birthplace of Australia’s Wine Industry

NSW is the birthplace of Australia’s wine industry and the Hunter Valley is Australia’s oldest wine growing region. Vines were first planted in the Hunter Valley in the early 1820’s from cuttings brought by James Busby, the father of Australian wine. Today, with a proud heritage spanning almost two hundred years, the Hunter Valley is home to a thriving wine and wine tourism industry and some of Australia’s most distinctive and outstanding wines.^{xviii}

Hunter Valley grape varieties, include Semillon, widely considered the iconic wine of the region, Shiraz, Chardonnay, Cabernet, Merlot, Sauvignon and Verdehlo.

Economic Contribution

NSW is Australia’s second largest wine producing state, accounting for more than 34 per cent (close to \$2b) of Australia’s \$5.5 billion wine industry, comprising over 450 wine producers (many of which are family businesses) and 351 cellar doors. NSW is also home to 9 of Australia’s top 20 wine exporters — the majority of which are clustered in the Hunter Valley.

In the Hunter Valley over 200 vignerons produce more than 25 million litres of wine per annum for domestic and growing export markets such as the USA, UK, Canada, Germany, Japan, New Zealand and throughout Asia (including China and Singapore).

The viticulture and wine-making industries directly employ over 7,000 people with a further 10,000 indirectly employed in service, support and associated industries (not including wine tourism).^{xix}

The Hunter Valley’s wine tourism sector is estimated to^{xx}:

- provide an additional 30,000 direct and indirect jobs;
- provide more than 2.8 million visitors to this iconic locality who spend over \$1 billion; and
- jointly inject \$1.8 billion annually to the NSW economy (hunter vineyard and tourism industries) and are well placed to continue this trend.

In recognition of the importance of the wine tourism to the Hunter region and the NSW economy, the NSW Government is delivering on its 2011 election commitment to invest \$20 million to upgrade the Hunter region wine tourism road. The NSW Coalition has recently announced a further \$16.7 million to revitalize the Broke and Hermitage roads to make the Hunter wine region even more accessible for tourists and visitors. Similarly the ALP is committing to a suite of local road upgrades in the Upper Hunter region.

It is incomprehensible that on the one hand the Hunter’s wine region is recognized as state and nationally important meriting significant investment to its infrastructure, yet no action is being taken to protect the region from mining which threaten its future and puts at risk the very tourism, growth and investment these infrastructure upgrades are intended to secure.

Internationally and Nationally Recognised

The Hunter Valley viticulture region is officially recognised by the Australian Government’s Geographical Indications Committee (by way of a “Geographical Indication” (GI))^{xxi}. The GI not only recognizes a wine making region but also protects the use of the regional name under international law. The three officially recognised sub-regions for the Hunter are Pokolbin, Broke Fordwich and the Upper Hunter Valley.

The Hunter Valley’s wine industry is also recognised as being of national and international significance by the NSW Government.

The Hunter Valley’s wine industry has been mapped and recognised as a critical industry cluster. But it has not been afforded the protections provided to its sister industries in South Australia and Western Australia – protections from incompatible development and land use that are vital to its growth, prosperity and investment confidence.

NATIONAL & INTERNATIONAL BEST PRACTICE

Equine

Of the three International Centres of Thoroughbred Breeding Excellence (Kentucky, USA, Newmarket UK, Hunter Valley, Australia) Australia is the only one that has no buffers or other protections in place to protect its equine critical industry cluster from incompatible land use developments.

Kentucky, USA

Kentucky's equine cluster centered on Lexington in Fayette County is recognised as the country's signature industry.

The equine cluster is protected against competing land development through:

- conservation easements;
- protection of agricultural and equine economies by conserving large areas of farm land;
- conservation and protection of the natural scenic, open space and the historic agricultural resources of rural Fayette County; and
- protection of the tourism economy by preserving the unique character and "sense of place" that attracts visitors from all over the world.

In Kentucky, over 240 farms totaling more than 27,443 acres are permanently protected by conservation easements.

Newmarket, United Kingdom

Newmarket is considered to be the birthplace and global centre of thoroughbred racing. In Newmarket, the local government planning scheme affords the Newmarket equine CIC development protection from competing land uses.

The Forest Heath District Council's Core Strategy Development Plan recognizes that:

- the creation of the studlands around Newmarket relating to the horse racing industry has resulted in a unique area of landscape. When examining proposals for the development in these areas, the potential impact on this landscape will be an important consideration;
- the importance of the horse racing industry and Newmarket's associated local heritage and character will be protected and conserved throughout the plan period; and
- current planning policies aim to ensure these industries thrive and prosper.

Forest Heath's Development Plan does not permit:

- development proposals which would adversely affect the use or appearance of the racecourse or training grounds or result in their loss;
- changes of use of stud land for any purpose other than that essential to the horse racing industry;
- proposals for development that affect the appearance or landscape setting of the town. (The stud farms and racecourse training grounds are designed as an area of local landscape value).

Where their special character is of exceptional value, individual or groups of training establishments are designated as Conservation Areas.

Viticulture

Unlike their sister industries in South Australia and Western Australia, the Hunter Valley's historic and iconic wine industry is not protected from incompatible mining nor is its character, visual amenity and potential for attracting tourism protected.

Barossa Valley and McLaren Vale – South Australia

In recognition of special character of the South Australian Barossa Valley and McLaren Vale regions and their importance to the State's economy, in 2012 the South Australian Government legislated protections to these wine districts to protect them, preserve their character and provide for the economic, social and physical wellbeing of the community.

The Character Preservation (Barossa Valley) Act 2012 and Character Preservation (McLaren Vale) Act 2012:

- (a) recognise, protect and enhance the special character of the district while at the same time providing for the economic, social and physical well being of the community; and
- (b) ensure that activities that are unacceptable in view of their adverse effects on the special character of the district are prevented from proceeding; and
- (c) ensure that future development does not detract from the special character of the district; and
- (d) otherwise ensure the preservation of the special character of the district.

Any person or body involved in the administration of an Act must, in exercising powers and functions in relation to the district, have regard to and seek to further the objects of this Act.

Character values of the district in these Acts include:

- (a) the rural and natural landscape and visual amenity of the district;
- (b) the heritage attributes of the district;
- (c) the built form of the townships as they relate to the district;
- (d) the viticultural, agricultural and associated industries of the district;
- (e) the scenic and tourism attributes of the district.

Margaret River – Western Australia

In July 2012 the Western Australian Government took steps to prevent future coal mining in the Margaret River area by terminating all pending applications for coal exploration activities within the area.

The decision was taken pursuant to Section 111A of the Mining Act 1978 and on the advice of the Environmental Protection Authority which indicated that coal mining in the area posed unacceptable environmental risks.

Four coal applications were terminated or refused; five applications were withdrawn. Titleholders of nine granted mineral titles within the zone were advised that if any of the titleholders lodge a coal mining proposal it would be refused. ^{xxii}

"This decision sends a signal to the industry — applications will not be accepted to explore for or mine in this area" the Mines and Petroleum Minister, Norman Moore said when announcing the Western Australian Government's decision.

The Hunter Valley Thoroughbred Breeders Association and the Hunter Valley Wine and Tourism Association call on the NSW Government to:

- follow international and national best practice; and
- recognise the iconic nature of the Hunter Valley's wine and thoroughbred industries, their economic significance, heritage attributes, the importance of their natural landscape, visual, scenic and tourism attributes; and
- move to protect the Hunter Valley's state significant equine and viticulture critical industries by prohibiting new open cut, underground and coal seam gas mining development on and within 10 kms of these critical industry clusters.

ECONOMIC SIGNIFICANCE HUNTER VALLEY THOROUGHBRED BREEDING INDUSTRY

Internationally Significant	
1 of 3	International Centres of Thoroughbred Breeding Excellence in the World – alongside Kentucky in the USA and Newmarket in the UK
Largest	Concentration of thoroughbred studs in the world outside Kentucky USA
Largest	Australian producer & supplier of premium thoroughbreds
Largest	Australian exporter of premium thoroughbreds, representing:
80.35%	Imports from Australia to New Zealand
58.65%	Imports from Australia to the Philippines
51.63%	Imports from Australia to Macau
43.54%	Imports from Australia to Malaysia
38.83%	Imports from Australia to Hong Kong

Nationally Significant	
\$5b	Contribution to national GDP annually
230,000	Jobs generated and sustained nation wide

State Significant	
\$2.6b	Contribution to NSW economy annually
53,696	People employed or participating in thoroughbred breeding and racing in NSW
34,000	People directly involved in breeding, racing or training in NSW
21,837	Thoroughbred owners in NSW
134	Racing Clubs in NSW
\$175m	Investment in NSW Racing infrastructure underpinned by the quality of bloodstock & racing product produced in the NSW Hunter Valley

Regionally Significant	
55% +	Of the \$2.6b total value added occurs in regional NSW
Largest	Agricultural industry in the Hunter Valley:
2 times	The value of irrigated agriculture
4.5 times	The value of dairy
10 times	The value of meat and cattle
150	Broodmare farms dependent on Hunter Stallion stud farms
Sophisticated	Network of equine support industries dependent on Hunter Valley stud farms — including farriers, fodder producers, saddlers, equine transport companies and the Southern Hemisphere's largest equine veterinary practice, Scone Equine Hospital

Significant Regional Employer	
42,586	Employees and participants in regional NSW:
5,745	in the Hunter
10,159	in Sydney
5,633	in Western Sydney
6,783	in Mid North Coast, Central Coast, Illawara and South Coast
14,266	throughout the rest of regional NSW

Significant Regional Investor	
\$5b +	Invested in the Hunter Valley's thoroughbred breeding industry in the past 10 years (and rising)

SOURCE: IER Pty Ltd Report 2006; IER Pty Ltd Report 2014, Marsden Jacob Associates Report 2014, Australian Stud Book

AT A GLANCE

Hunter At A Glance	
470	Breeders
5,745	Employees and Participants*
6	Race Clubs
78	Race Meetings – including the only Saturday Stand Alone meeting in regional Australia
595	Races
100,416	Attendances
\$564.6m	Value added injected in the local economy by the thoroughbred breeding & racing industry

Sydney At A Glance	
10,159	Employees and Participants
3	Race Clubs
66	Race Meetings
494	Races
291, 858	Attendances
\$11.1 billion	Value added injected into the economy by the thoroughbred breeding & racing industry

Western Sydney At A Glance	
5, 633	Employees and Participants
1	Race Club
76	Race Meetings
392	Races
237, 411	Attendances
\$321.9 million	Value added injected into the Western Sydney by the thoroughbred breeding & racing industry

* Participants are the lifeblood of the industry. They provide investment, time, skills and passion that underpins the horse racing industry in the State.

Source: IER Pty Ltd, Size and Scope of the NSW Racing Industry, 2014



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- i. NSW Liberals & Nationals Strategic Regional Land Use Triple Bottom Line Assessment to Protect our Regions, p2
 - ii. Ditto, p2
 - iii. Labor's Coal and Coal Seam Gas Plan, 15 March 2011
 - iv. Planning Assessment Commission Bickham Coal Project Report, 3 May 2010, Planning Assessment Commission Review Report, Drayton South Coal Project, December 2013, Planning Assessment Commission Determination Report, Drayton South Coal Project, October 2014
 - v. Planning Assessment Commission Review Report, Drayton South Coal Project, December 2013, p iii
 - vi. NSW Government Mining and Petroleum Gateway Panel, Drayton South Coal Advisory Report, 10 December 2013, p 24
 - vii. Planning Assessment Commission Determination Report, Drayton South Coal Project, October 2014, p14
 - viii. Planning Assessment Commission Determination Report, Drayton South Coal Project, October 2014, p11
 - ix. Planning Assessment Commission Determination Report, Drayton South Coal Project, October 2014, p14
 - x. Planning Assessment Commission Determination Report, Drayton South Coal Project, October 2014, p15
 - xi. Planning Assessment Commission Review Report, Drayton South Coal Project, December 2013, p 19
 - xii. NSW Government Mining and Petroleum Gateway Panel, Drayton South Coal Advisory Report, 10 December 2013, p 24- 25
 - xiii. Planning Assessment Commission Review Report, Drayton South Coal Project, December 2013, p iii
 - xiv. Planning Assessment Commission Review Report, Drayton South Coal Project, December 2013, p iii
 - xv. Planning Assessment Commission
 - xvi. Department of Planning Circular, PS 08 - 022
 - xvii. IER Pty Ltd, Size and Scope of the NSW Racing Industry, 2014.
 - xviii. NSW Wine Industry Association, 2015
 - xix. Upper Hunter Region, Viticulture Profile, NSW Department of Primary Industries, June 2013
 - xx. Upper Hunter Region, Viticulture Profile, NSW Department of Primary Industries, June 2013
 - xxi. A GI indicates and identifies wines as originating in a region or locality attributed to a geographical origin.
 - xxii. No coal mining for the Margaret River, Media Statement, the Hon Norman Moore, 24 July 2012.

