



REVIEW OF THE INDEPENDENT PLANNING COMMISSION

HTBA SUBMISSION

NOVEMBER 2019

INTRODUCTION

The HTBA represents Australia's multi-billion dollar thoroughbred breeding industry centred and concentrated in the Hunter Valley, consisting of over 200 thoroughbred breeding operations and support industries. It is Australia's largest concentration of thoroughbred breeding operations (2nd largest in the world) and Australia's largest producer, supplier and exporter of premium thoroughbreds.

Our industry contributes some \$5 billion, \$2.6 billion and over \$0.5 billion per annum to national, state and regional economies. We are a significant national, state and local employer and have been recognised by the NSW Government as a state significant industry. A summary of the economic significance of our industry is appended to this submission ([Appendix 3](#)).

Our industry has been mapped as an Equine Critical Industry Cluster and promised heightened protection by the NSW Government from mining. It has been protected from coal seam gas mining.

We are a not-for profit organisation. We are not anti-mining. Our mission is to preserve, promote and grow our internationally recognised industry which has a proud history in the Hunter Valley spanning some 200 years and which produce some of the world's best equine athletes – including the horse that stopped a nation Winx.

30 years ago coal mining in the Hunter Valley was predominantly 30km away from our operations and mostly underground. Today it is at our doorstep.

Over the past ten years we have been seeking to protect our industry, the integrity of our state recognised Equine Critical Industry Cluster, our lands, water, environment and jobs from the increasing encroachment and close proximity of coal mining.

We welcome this review and the opportunity to share with you our experiences and the salient lessons we have learnt in intimately dealing with State Significant Mining Developments and the NSW planning process.

Our submission addresses each of the Productivity Commission's terms of reference and makes recommendations on the role and operations of the Independent Planning Commission. It also provides a summary of key Government policies, commitments and case studies of State Significant mining Development proposals and their impacts on community and investment certainty.

We are of the view that it is in the public interest to have a truly Independent Planning Commission and that every effort and assistance should be afforded to communities and affected stakeholders to participate and have their voices heard and respected as part of a State Significant Development planning and assessment process.

We would be happy to supplement this submission or answer any questions should the Productivity Commission need further information or clarification. Please do not hesitate our Director of Policy, [REDACTED] if we can assist you further.

Yours sincerely

[REDACTED]
[REDACTED] President.

1. IS IT IN THE PUBLIC INTEREST TO MAINTAIN AN INDEPENDENT PLANNING COMMISSION, CONSIDERING, WHERE RELEVANT, THE EXPERIENCE WITH SIMILAR BODIES IN OTHER COMMON LAW JURISDICTIONS?

Since its enactment 40 years ago, a fundamental object of the Environmental Planning and Assessment Act ("the Act") has been to:

*"Provide increased opportunity for public involvement and participation in environmental planning and assessment."*¹

Over the past 40 years, the Independent Planning Commission ("IPC") and its predecessors, the Planning Assessment Commission ("PAC") and Commission of Inquiry ("COI"), have played and continue to play a critical role in enabling the involvement and participation of local landholders, groups, specialists and others in planning proposals (particularly State Significant Developments in mining) in accordance with public participation objectives and principles of natural justice.

This process has provided a critical and direct opportunity for local landholders and groups to voice their concerns and be heard on matters that directly affect their livelihoods, environment, futures, investment and employment certainty, their sense of place and the resilience of their community. This is an opportunity which is either unaffordable or beyond their capacity, or one that is generally not taken seriously via the usual bureaucratic processes or which has, more often than not, been ignored or relegated as insignificant by the NSW Planning Department.

Two recent Australian reports have reinforced the need to enshrine the independence of the Commission:

1. The Independent Commission Against Corruption ("ICAC") December 2010 report on The Exercise of Discretion Under Part 3A of the Environmental Planning and Assessment Act 1979 and the State Environmental Planning Policy (Major Development) 2005; and
2. Review of Governance in the NSW Planning System, Nick Kaldas APM, December 2018 ("the Kaldas Report").

It is noteworthy that these reports, not only reinforced the need for and independence of, the IPC but also:

1. recommended the decision-making role of the then PAC be expanded because it provided "an important safeguard against potential corrupt conduct."²
2. recommended the then PAC be given quasi judicial status³;

¹ *Environmental Planning and Assessment Act 1979 No 203, Objects of the Act, Clause 5 (c)*

² The Independent Commission Against Corruption ("ICAC") December 2010 report on The Exercise of Discretion Under Part 3A of the Environmental Planning and Assessment Act 1979 and the State Environmental Planning Policy (Major Development) 2005, p20

³ *Ibid* Recommendation 4

3. recommended that the Chair of the IPC continue to liaise with the Secretary of the Department of Planning and Environment to enshrine and clarify the independence of the IPC and its staff.⁴

The most recent amendment to the Act⁵ implemented a range of reforms in 2018 to improve the environmental planning and assessment system, including:

- updating the objects of the Act;
- revising and consolidating provisions relating to the administration of the Act and planning bodies established under it (including the IPC);
- enhancing community participation (including by requiring planning authorities to prepare community participation plans according to specified community participation principles)
- enhancing strategic planning (including by requiring councils to prepare local strategic planning statements to inform future planning proposals in their locality).

Importantly, through these amendments, the then Planning Assessment Commission was relaunched as the IPC, reflecting its determinative role and reinforcing the IPC's key function of independently determining projects.⁶

More can and should be done to maximise the participation of local communities in State Significant Development ("SSDs") proposals to ensure credible, transparent and scientific assessment of SSDs (particularly mining SSDs) in regional areas.

The issue of corruption risk (real or perceived), corruption prevention, transparency around the planning assessment process and independence of decision making (particularly from political influence) was central to the ICAC 2010 report authored by former ICAC Commissioner David Ipp QC.

Former Commissioner Ipp QC presided over a series of high-profile inquiries into mining licences. We note and agree with former Commissioner Ipp's recent comments that "returning to ministerial discretion on mining licences is a recipe for corruption"⁷. Critically from a public interest perspective, we also note former Commissioner Ipp's statement that once decisions are "left to the minister basically there are no safeguards"⁸

We also note former Assistant ICAC Commissioner Anthony Whealy's QC statement that the IPC is a "crucial accountability agency" and that this review was announced "under pressure from the Minerals Council of NSW" which "raises questions about the vested interests of the Minerals Council and the impact that is having on our accountability institutions."⁹ Mr Whealy QC, Chair of the Centre for Public Integrity, also has commented that the Independent Planning Commission is a "crucial accountability agency" that must be preserved.¹⁰

⁴ Review of Governance in the NSW Planning System, Nick Kaldas APM, December 2018, Recommendation 14

⁵ *Environmental Planning and Assessment Amendment Bill 2017*

⁶ *Environmental Planning and Assessment Amendment Bill 2017 Second Reading*, p 2

⁷ <https://www.smh.com.au/national/nsw/government-caving-in-to-industry-pressure-over-planning-commission-review-say-former-icac-bosses-20191021-p532om.html>

⁸ *Op cit*

⁹ *Op cit*

¹⁰ <https://www.theguardian.com/australia-news/2019/oct/21/nsw-minerals-council-pressured-publicly-and-privately-for-review-of-planning-body>

We note that ICAC is currently conducting an inquiry into lobbying and the NSW public sector – regulation of lobbying, access and influence in NSW (Operation Eclipse).

[Transparency International Australia](#) is part of a global coalition promoting transparency, integrity and accountability at all levels and across all sectors of society, including government, with a presence in over 100 countries. It has recently (2017) completed corruption risk assessments in mining approval processes across 18 resource rich countries (including Australia and Canada) - an assessment funded by the bhpbilliton Foundation and the Australian Government.

Some of their findings include:

1. [For Government \(law makers, senior government officials, licencing and regulatory authorities\):](#)

- 1.1. Setting clear, transparent, and effective rules and criteria for mining assessment and approvals processes;
- 1.2. Ensuring public access to information about mining approval processes and decisions;
- 1.3. Establishing meaningful opportunities for affected communities and civil society to participate in the aspects of mining approvals that directly affect them;
- 1.4. Ensuring agencies tasked with administering mining approvals have the necessary institutional capacity to effectively perform their functions;
- 1.5. Conducting due diligence on licence applicants and their beneficial owners; and
- 1.6. Implementing effective mechanisms to identify, manage and reduce conflicts of interest.

2. [For the mining industry:](#)

- 2.1. Being transparent about their operations, including their subsidiaries, joint venture partners and where they operate (and we would add their parent and associated companies);
- 2.2. Disclosing their project rights and obligations, including contracts, licences and environmental and social impact management plans;
- 2.3. Committing to and conducting meaningful community consultation;
- 2.4. Going beyond compliance; and
- 2.5. Understanding corruption risk and introducing internal integrity systems to prevent and detect corruption in their operations

3. [For the Public and Civil Society \(which have important roles as accountability actors\)](#)

- 3.1. Taking up meaningful opportunities to participate in aspects of mining approvals that directly affect them; and
- 3.2. Scrutinising applications and approval outcomes and decisions so they can hold government and the mining industry to account.

The Australian chapter of this report examines the mining processes in Western Australia and Queensland. From our experience over the past ten years, their findings would be equally valid in NSW viz:

1. Inadequate due diligence of applicants – including the character (including capability and financial capacity) and integrity of the applicant company and its principals;
2. Lack of investigation into the ultimate beneficial ownership of mining companies;
3. Inadequate verification of the accuracy of Environmental Impact Statements;
4. Lack of transparency in agreement-making – including state agreements where there is no transparency or public notification of the terms of the negotiation or transparency of the negotiation prior to executing the agreement;
5. Potential for State Capture – a risk that relates to the opportunity for the mining industry to influence both the policy and political agenda of government in the development of major resource projects;
6. Ministerial and Coordinator General discretion – which is identified as a weakness in the exploration and mining licence approvals processes;
7. Lack of assessment of cumulative impacts and risks: found to compound cumulative impact and the likelihood of a risk occurring with the potential to increase the severity of the impact.

We commend this report and its findings to the IPC review team¹¹

In summary, we support a truly Independent IPC that plays an important role in the assessment and determination of SSD proposals. It enables community participation, provides an important safeguard against corruption of the process and given the extinguishment of third party appeal rights, is critical to and definitely in the public interest.

¹¹ <http://transparency.org.au/our-work/mining-for-sustainable-development/combating-corruption-mining-approvals-global-report/>

2. MAKE RECOMMENDATIONS IN RELATION TO THE INDEPENDENT PLANNING COMMISSION'S OPERATIONS AND THE MECHANISMS BY WHICH STATE SIGNIFICANT DEVELOPMENT IS ASSESSED AND DETERMINED

The current planning system and the involvement of the Department of Planning and other agencies involved in the assessment of SSDs, particularly in regional Australia, imposes significant costs and burdens on regional communities, local landholders and taxpayers, and does not enjoy the confidence of regional communities, agricultural industries and other stakeholders directly impacted by mining SSDs.

Departmental Skills Base

The Planning Department and other agencies involved in the assessment of SSDs do not have the requisite specialist skills to competently and independently scrutinise and assess environmental impact statements prepared by mining proponents for mining development proposals. This imposes unnecessary additional costs, burdens and stresses on local stakeholders.

SSD Assessment Needs Expertise and Rigour

Through our direct and intimate involvement in the planning system for a period of over ten years, and our engagement of specialist expertise to scrutinise coal mining environmental impact statements, we have learnt that:

- assessment of environmental impacts are highly technical and require complex modelling to competently assess current, future and worst case impacts and scenarios;
- models are only as good as their inputs and can only be competently scrutinised by appropriately qualified specialists in their fields and when all underlying assumptions are transparent (which is from our experience not usually the case);
- knowledge of some systems – for example ground and surface water systems and their interconnectivity – is highly specialised, highly variable from catchment to catchment and sometimes unknown;
- assessment of economic costs and benefits depend on their underlying assumptions – we have not seen a single mining proposal that reflects true economic costs (including externalities and social costs) and benefits;
- social impact costs are rarely quantified;
- cumulative impacts are rarely competently and fully assessed or quantified;
- triple bottom line assessments have proven too difficult for the NSW Government to implement or translate into policy or guidelines;
- the precautionary principle is rarely used by the Planning Department and other agencies involved in assessing mining SSDs.

Mining Approvals and Investment Certainty

Despite the recent NSW Minerals Council criticism of the IPC, we understand that since 2008 the overwhelming majority (over 90%) of mining applications have been approved by consent authorities.

Contrary to the NSW Minerals Council protestations that the mining industry is currently suffering from investment uncertainty, due to the lack of timeliness of IPC decisions and the decisions themselves, it is actually local landholders and local agricultural industries who

suffer many decades of investment uncertainty, through no fault of their own, due to mining exploration and production.

Three case study examples in the Upper Hunter are presented in [Appendix 2](#) to illustrate the lengthy and serious investment uncertainty impacts on communities imposed by coal mining exploration and production under the current planning system. These case studies also raise serious questions about:

- the leniency of the (almost interminable) exploration licence renewals process;
- legal loopholes regarding the “substantial commencement” of mining following development approval (“DA”) particularly in circumstances where the Proponent has not actually commenced mining and none of the economic benefits have been delivered within the first five years of the development approval (as in the Mount Pleasant case study);
- whether development approvals should be reappraised and withdrawn where mines are placed in prolonged care and maintenance (as in the case of the Dartbrook underground mine);
- the number of times a Proponent could lodge a SSD DA on the same site and the number of times a community should be subjected to the stress, inconvenience, division and uncertainty (including investment uncertainty and social dislocation) caused. In the “Drayton South/Maxwell” case study the Upper Hunter community has been subjected to 3 SSD DAs for mining on the same site in eight (8) years. That equates to approximately 1 application every 2.5 years. 2 of those DAs were for a substantially similar proposal.

In our view, the recent refusals of a relatively small number of coal mining applications reflects:

- appropriate rigour and assessment by the IPC;
- the efforts of local landholders and communities that have engaged scientific and technical experts, at their own expense, to properly scrutinise and assess coal mining environmental impact statements;
- the unacceptable encroachment of mining in close proximity to towns and agricultural enterprises;
- the increasing and unacceptable cumulative impacts of mining, especially in the Upper Hunter, that are evident to all who live there and can no longer be ignored (including worsening air quality; water scarcity and restrictions; the pervasive smell of sulphur; the depletion of visual amenity and quality of life; which are in addition to the compounding and devastating effects of prolonged drought);
- the diminished, if not depleted, social licence to operate.

[Timeliness of IPC/PAC decisions](#)

It is our view that mining proponents are generally responsible for the periods of extended delay that may be associated with planning decisions.

It should be noted that local landholders and the public have very defined and time limited opportunities to voice their concerns about SSDs. Proponents have no time limits imposed upon them.

Given concerns regarding the impacts of investment uncertainty as they relate to SSDs, and the unique nature of SSDs (when compared to other DAs) we suggest that time limits also be imposed on Proponents of mining applications in order to facilitate a timely application and assessment process and to minimise uncertainty for all concerned.

In our experience, the IPC and/or its predecessors are usually time efficient in conducting hearings and assessing and delivering their review or determination reports (generally within 3 months of a referral from the Department).

Exceptions to this may reflect the complexity of the matter, the need for additional information to be provided by or to the Proponent, inadequate environmental impact statements or conflicting "expert" reports which require additional due diligence. Time provided to the Proponent or the public to comment in accordance with natural justice principles can also be a contributing factor.

A careful assessment of coal mining related SSDs would reveal that prolonged delays in the application and approvals process are more usually attributed to the Proponent – including in the time taken to prepare their EIS, modify their proposal, respond to submissions following public exhibition of their EIS and submit or scrutinise information presented to the IPC or their predecessors – and that criticism of delays attributed to the IPC are unjustified.

[Recommendations for IPC Operations and the Assessment of SSDs](#)

In this context, it is crucial that the NSW planning system:

- has the confidence of impacted landholders, communities and the public;
- is independent, professional and appropriately resourced, with access to specialist experts respected in their fields;
- is independent of politics;
- is guided by Government policies – including clear guidance on where mining can and cannot occur and relevant, best practice environmental standards;
- is founded on genuine community consultation;
- recognises and respects contemporary community and social values;
- fosters the development of resilient regional communities and genuinely protects sustainable long term agricultural industries;
- provides investment certainty to industries - particularly sustainable industries such as agriculture, tourism and food production.
- protects the health, wellbeing and quality of life of communities most affected by mining SSDs.

An independent IPC is critical to the integrity of the NSW planning system. In our view:

1. the upfront, rigorous and scientific gateway process to filter out at the development application stage mining development applications that would be likely to compromise important agricultural land and water resources, should be implemented as originally contemplated by the NSW Government in March 2012¹² and as recommended by the PAC in 2015¹³. This would provide confidence to all stakeholders - communities, agricultural industry and mining proponents alike. Proposals for which a gateway certificate is issued could proceed to a full merit assessment;
2. mining proponents should not be allowed to submit more than one SSD application on the same site for a similar project;
3. the role of the Independent Planning Commission should be expanded to:
 - 3.1. undertake appropriate due diligence of mining applicants - including the character (including capability and financial capacity) and integrity of the

¹² See Appendix 1

¹³ Planning Assessment Commission Drayton South Review Report, November 2015, Recommendation 4

- applicant company and its principals and investigate the ultimate beneficial ownership of mining companies at all stages of an exploration licence, mining lease or transfer of mining lease;
- 3.2. refuse mining applications or transfer of mining titles where proponents are not fit and proper (including as outlined in 3.1 above) to guard against purely speculative/asset trading ventures;
 - 3.3. oversee the preparation of all mining SSD environmental impact statements at arms length and independent of mining proponents.
 - 3.3.1. In preparing mining SSD environmental impact statements, the IPC should have access to appropriate scientific and technical experts that are independent of mining companies.
 - 3.3.2. This activity should be funded on a fee for service basis from applicant mining companies.^{14 15}
 - 3.4. ensure that all environmental impact statements are rigorously and scientifically prepared; peer reviewed and publicly available;
 - 3.5. afford Proponents, affected stakeholders and the public equal time to comment on mining proposals, mining environmental impact statements and to voice their concerns before the IPC. Equal time limits should be imposed on all players (Proponent and stakeholders alike) to facilitate timely resolution of SSD applications and to provide certainty;
 - 3.6. review and determine SSD applications in cases where there is a political donation or there are more than 25 community objections or a council objects to the proposal.
 - 3.7. enforce compliance with conditions of consent and impose appropriate and stringent penalties in cases of breaches which would also act as a deterrent.
 - 3.7.1. This will require additional resourcing to proactively monitor compliance (including unannounced spot audits) and prosecute breaches.
 - 3.7.2. In our view the current penalty regime is too lenient, does not have any deterrent value, is inadequately resourced and is reactive and ineffective. By the time the breach is discovered, the damage has already been done
 - 3.8. provide pro-active advice to Government on planning matters and changes to planning policies that would contemporise and improve best practice, equity and fairness in the planning system.

In the above model, a truly independent IPC would have three (3) separate and distinct functions:

¹⁴ We note that in 2015 Anglo American publicly stated they had spent over \$70 million in studies and application fees for the Drayton South Open Cut Coal mine proposal.

<https://australia.angloamerican.com/media/press-releases/pr-2015/27-11-2015>

¹⁵ We also note that KEPSCO is quoted as having spent \$700 million on the Bylong Project (we assume this included purchase, application and environmental impact statement costs).

<https://www.theaustralian.com.au/business/mining-energy/nsw-planning-commission-rejects-kepco-bylong-thermal-coal-project/news-story/0414178ba58443fd9ffacfc10b70dfb3>

1. an EIS preparation function;
2. a review and determination function; and
3. a compliance and prosecution function.

A genuinely independent IPC should be:

- entirely independent of any department;
- appropriately resourced;
- employ its own staff (including the transfer of appropriately skilled staff currently performing the expanded duties mentioned above);
- have access to appropriately qualified scientific and technical experts; and
- be funded through fee for service from mining exploration and development applications and hypothecated revenue from more stringent coal mining penalties and mining royalties.

3. HAVING REGARD TO THE ABOVE, IDENTIFY ANY PROPOSED CHANGES TO THE INDEPENDENT PLANNING COMMISSION'S CURRENT FUNCTIONS, PROCESSES FOR MAKING DETERMINATIONS, AND RESOURCING. THE ISSUES TO BE CONSIDERED INCLUDE BUT ARE NOT LIMITED TO (EMPHASIS ADDED):

3.1. THRESHOLDS FOR THE REFERRAL OF MATTERS TO THE INDEPENDENT PLANNING COMMISSION

Subject to the comments made in Section 2, the HTBA considers the current threshold of where there has been a political donation, 25 public objections or the objection of Council (s) to be adequate for the referral of matters to the Independent Planning Commission.

3.2. THE CLARITY AND CERTAINTY OF POLICIES AND GUIDELINES THAT INFORM DETERMINATIONS;

There are many Government policies that clearly commit to the protection of critical industry clusters (such as the international, national and state significant equine critical industry cluster in the Hunter), prime agricultural lands and water, sustainable long term agricultural and tourism related industries (see [Appendix 1](#)).

International and national examples of government policies that protect iconic agricultural industries (through buffers, exclusion zones or preservation measures) are also abundant ¹⁶.

The IPC and its PAC predecessor have in the past been guided by Government policies and guidelines to inform their decisions.

In section 2, we raised concerns about:

- the leniency of exploration licence renewals process;
- legal loopholes regarding the "substantial commencement";
- the reappraised (and possible withdrawal) of DAs where mines are placed in prolonged care and maintenance; and
- the number of times a Proponent should be allowed to lodge a SSD DA on the same site.

We note that former Planning Minister Roberts, in an answer in the House on 23 February 2017 and in response to concerns raised during the Drayton South Open Cut Coal Mine application process(es) and other approval processes for SSD's committed to *"ask my department to develop options for consultation that will provide guidance on how many times and how frequently a project that is not substantially different can be submitted to government for approval."* ¹⁷

We are not aware of any progress on this matter. If an options paper is being developed, we are of the view that the Government should also seek advice on how many times and how frequently an SSD should be submitted for the same site.

¹⁶ See for example the expert report prepared for the Planning Assessment Commission by la tierra in November 2013, Appendix 4 Planning Assessment Commission Review Report on the Drayton South Coal Project

¹⁷ NSW Parliament Hansard 23 February 2017, (15:08)

While we recognise these are issues for Government, they are critical to the integrity of the NSW planning system and would clearly impact on the work of an IPC. These matters also go to the heart of investment and community certainty and the disruption to communities and non-mining affected industries that are constantly subjected to SSD DAs disturbing their operations, damaging their reputations and investment attractiveness, their sense of place and their long term security.

Improvements to planning policies are always possible. The NSW planning system should strive to deliver a world's best practice system. Some improvements we have raised over the past ten years of our involvement include:

- the development of triple bottom line assessments (as promised by the Government in 2011/2012);
- clearer cumulative impact assessment guidelines (particularly in the context of the extremely poor air quality in the Upper Hunter Valley);
- updating NSW noise guidelines to reflect regional settings;
- improvements in transparency of assumptions and software used for modeling (for example in our experience software used by mining companies for noise modeling is no longer in use which makes this element of an EIA inscrutable by anyone, including consent authorities).

A key area which would benefit from greater clarity and certainty is in respect of competing uses for land and land use conflicts.

In its 2015 Drayton South Review Report, the PAC commented that greater clarity and planning certainty needs to be provided to the mining industry, the community and other industries that exist within mining regions. The PAC particularly recommended the Government develop a suite of effective planning tools to provide reasonable exclusion zones or buffers to protect other industries and sensitive land uses within those parts of the state that are rich in coal, gas and/or mineral reserves.

In particular the PAC recommended:

- the identification of sensitive land uses and resources (such as important agricultural land, water resources, places of special Aboriginal cultural significance or of significant conservation value) that warrant protection from mining; and
- appropriate buffers, exclusionary zones or preservation measures for those land uses and areas of other significant value.¹⁸

The PAC also recommended that the importance of the Equine Critical Industry Cluster, its sensitivities to intensive development and the landscape character of its central operators, needs to be acknowledged with the development and enforcement of appropriate buffers, exclusionary zones or preservation measures to safeguard this important industry.¹⁹

In its Hunter Regional Plan 2036, the NSW Government recognises that we need to transition from a coal dependent energy source to alternative energies and that greater efforts need to be made to protect sustainable agricultural industries (including the

¹⁸ Op cit, recommendation 4, 4ai and 4 aii.

¹⁹ Op cit, recommendation 5

Hunter's equine industry cluster), to protect food and wine production, and to foster the development of emerging services industries and equine and wine related tourism.

Given the NSW Government's stated policies, it is our view that greater clarity should be provided to help resolve land use conflicts and protect sustainable agricultural industries either by implementing the PAC's recommendations or by providing guidance to the IPC to give greater weight to protecting sustainable agricultural industries, land and water when reaching their determinations.

3.3. THE COMMISSIONERS' SKILLS, EXPERTISE AND QUALIFICATIONS;

The HTBA considers that the current remit of Commissioners' skills, expertise and qualifications is generally adequate when dealing with general development applications in the city or rural towns.

However when dealing with SSD mining proposals that affect specific agricultural industries and water resources, the Commission should supplement their current skills base and co-opt additional independent Commissioners who have specialist industry knowledge and are credible and respected in their fields.

3.4. THE ADEQUACY OF MECHANISMS TO IDENTIFY AND RESOLVE ANY CONFLICTS OF INTEREST BY COMMISSIONERS;

The HTBA considers the current mechanisms to identify and resolve potential conflicts of interest by Commissioners to be generally adequate. They should however be supplemented by a public register of Commissioner interests, similar to that applying to Members of Parliament.

3.5. THE INDEPENDENT PLANNING COMMISSION'S PROCEDURES AND GUIDELINES;

In our view the IPC's procedures and guidelines should afford all parties an equal say in SSD assessment and decision making.

The assessment of SSDs is highly scientific and technical. Access to and understanding of the highly technical SSDs and accompanying environmental impact statements is beyond the reach of the average citizen and/or affected landholder.

The average farmer, landholder or community citizen does not have deep pockets or the capability to decipher highly technical and complex scientific and environmental impact reports.

As it is currently constructed, by this fact alone, the SSD planning and assessment system is skewed in favour of mining proponents.

More needs to be done to assist communities understand the potential impacts of SSDs and voice their concerns.

While it may not be technical in nature, more respect and weight and attention needs to be given by the IPC (and the Department of Planning should they continue to have a role in this process) to farmers, landholders and communities who voice their concerns

and seek to protect their livelihoods, quality of life, the environment (particularly land, water, air quality, history and heritage) for current and future generations.

Some recommendations have been provided in section 2.

3.6. THE EXTENT TO WHICH THE INDEPENDENT PLANNING COMMISSION SHOULD RELY UPON THE ASSESSMENT REPORT PREPARED BY THE DEPARTMENT OF PLANNING, INDUSTRY AND ENVIRONMENT, TAKING INTO ACCOUNT ANY ADDITIONAL ASSESSMENTS BY OTHER GOVERNMENT AGENCIES;

Since 2008/09 the HTBA has been intimately involved in the planning process and in protecting our industry against incompatible mining development proposals in close proximity to our operations in the Upper Hunter Valley.

In our direct experience, the Department of Planning has never recommended against a mining proposal despite the detrimental cumulative impacts and the overwhelming social, environmental and heritage evidence to the contrary – any or all of which should have triggered the precautionary principle.

In our direct experience, despite the overwhelming scientific and technical evidence against the Drayton South open cut mine proposed by Anglo American, which was to be located directly opposite Australia's largest international scale studs in the Hunter Valley, and despite the findings of 5 PACs and the Gateway Panel, the Department of Planning continued to recommend in favour of the Drayton South Open Cut Coal Mine regardless of these consequences, the damage to Australia's world renowned thoroughbred breeding industry, thousands of agricultural jobs and the fragmentation of the Hunter's Equine Critical Industry Cluster.

In our direct experience, the Department of Planning does not independently scrutinise SSD Environmental Impact Assessments produced by mining proponents. In our view it seems to neither have the will nor the capability to do so. In our direct experience neither do the majority of Government agencies that participate in the planning assessment process and whose work has been found wanting by independent scientific experts. We find that agencies that do raise objections are often ignored, silenced or sidelined and/or denuded of resources to competently discharge their duties.

Over the past decade we have regularly recommended the Planning Assessment Commission place no weight on the Assessment Reports prepared by the Department of Planning because those reports uncritically and unquestioningly accepted the mining proponent's position.

Without exception, our experience has demonstrated that Environmental Impact Assessments prepared for and by mining proponents consistently:

- overestimate the benefits of a proposal and underestimate the costs;
- rarely genuinely assess and do not quantify social impacts;
- do not assess or quantify cumulative impacts;

- do not adequately examine externalities and their costs (including for example health costs associated with poor air quality);
- have little real understanding of ground and surface water impacts;
- misrepresent air quality impacts;
- assess noise against industrial criteria that are irrelevant in regional settings;
- use modelling techniques that are inscrutable;
- lack transparency, including in underlying assumptions, contrary to NSW Government guidelines; and
- conveniently assume away any impacts on neighbouring agricultural industries and/or critical industry clusters by merely stating that their proposal will have no impact and that incompatible developments can “co exist” in close proximity.

These are only some examples of the failings in mining proposals that the Department of Planning uncritically supports and routinely waves through for approval. In doing so it completely ignores the concerns and wellbeing of communities and in many cases the Government’s policies.

There are numerous examples of the current IPC and former PAC taking to task both the Planning Department and mining Proponent’s as a result of these practices. Some examples of this are cited in Appendix 2.

Since 2008, we are aware of only three (3) mines for which the Department of Planning has recommended refusal - Rocky Hill, Hume and Colpac – none of which are in the Hunter Valley.

It is instructive to note that in his judgement on Rocky Hill (Gloucester Resources Limited v Minister for Planning [2019] NSW LEC 7) Justice Preston examined the impacts of the mine:

- on the incompatibility with existing, approved and likely preferred land uses;
- on comparative public benefits of the mine and other land uses;
- with respect to cumulative impacts;
- with respect to visual topography and amenity (including noise and dust);
- regarding the assessment and quantification of social, economic and public benefits – including people’s way of life, sense of place, health and wellbeing, culture, personal and property rights, and people’s decision making systems (including fears and aspirations); and
- on current and future generations and the distributive equity (in this case inequity) of the Project.

3.7. RESOURCING OF THE INDEPENDENT PLANNING COMMISSION AND THE MECHANISM FOR DETERMINING BUDGETARY SUPPORT; AND

It is our view that the Independent Planning Commission is not sufficiently resourced.

As outlined in our preferred model in Section 2, the most efficient mechanism for funding the Independent Planning Commission should be via fee for service and hypothecated revenue derived primarily through more stringent mining penalties and mining royalties.

3.8. WHETHER THE INDEPENDENT PLANNING COMMISSION'S SECRETARIAT SHOULD BE EMPLOYED DIRECTLY BY THE INDEPENDENT PLANNING COMMISSION OR PROVIDED BY ANOTHER GOVERNMENT AGENCY, AND IF SO, WHICH AGENCY.

International best practice, the findings and recommendations of the ICAC 2010 report and the 2018 Kaldas Report provide ample justification for and attest to the need for, an Independent Planning Commission and staff.

The HTBA strongly favours an Independent Planning Commission supported by totally independent staff directly employed by the IPC and supplemented with appropriate experts in their fields who are independent of mining companies.

GOVERNMENT COMMITMENTS, POLICIES AND LEGISLATION

1. NSW LIBERALS & NATIONALS STRATEGIC REGIONAL LAND USE TRIPLE BOTTOM LINE ASSESSMENT TO PROTECT OUR REGIONS (2011)

This election policy recognised that a lack of planning by successive NSW (Labor) Governments has meant that regional communities are unsure about what impact this growth will have on the environment, agricultural land, water resources and the community. The growth in regional areas needs to be better planned to ensure that businesses and the community can have confidence about what the future holds.²⁰

“The NSW Liberals and Nationals believe in a triple bottom line approach to development. This will achieve a better balance in the growth of regional areas through a combination of (inter alia):

- reforms to the planning assessment process to improve monitoring, compliance and cumulative impact assessment; and
- reforms to mining and coal seam gas legislation to protect strategic agricultural land and associated water resources.”²¹

“A key part of the strategic land use planning process will be to identify strategic agricultural land and associated water and ensure it is protected from the impacts of development. ... It will be identified using a triple bottom line assessment of the environmental, social and economic characteristics of the area.”²²

“Strategic land use plans will be prepared using triple bottom line assessments of the environmental, social and economic values in regional areas. These assessments will inform our decisions about the best way to use land and identify the environmental, social and economic values that need to be protected. In some cases, this will involve trade-offs between two land uses competing to use the same area of land.”²³

“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.”²⁴

2. DRAFT STRATEGIC REGIONAL LAND USE PLAN UPPER HUNTER – MARCH 2012

The NSW Government’s draft Strategic Regional Land Use Plan for the Upper Hunter published in March 2012 for the first time mapped and sought to protect a large part of the region which was recognised as high-value agricultural land. “This mapped land included the world-famous horse breeding industry around Scone and renowned vineyards near

²⁰ NSW Liberals & Nationals Strategic Regional Land Use Triple bottom line assessment to protect our regions (2011) p1

²¹ Ibid

²² Op cit, p 2

²³ Ibid

²⁴ Ibid

Cessnock. Major mining and coal seam gas proposals on this land will only be able to be considered if they are able to meet strict criteria as assessed by an independent panel of experts that will operate at arm's length from government. This upfront scientific assessment will result in inappropriate proposals being ruled out of the planning system at a much earlier stage."²⁵

This Plan, mapped the equine and wine critical industry clusters, promised their protection and outlined the up-front Gateway Process (Chapter 11) which was a key policy response for resolving land use conflict between mining and coal seam gas proposals and key land values such as strategic agricultural land. According to this draft plan, under the gateway process, a development application for mining and coal seam gas on or within two kilometres of strategic agricultural land could not be lodged and considered unless it was issued a gateway certificate.

An independent Mining and Coal Seam Gas Gateway Panel would be established to consider gateway certificate applications. The Panel would consider mining and coal seam gas proposals against specific criteria (including for biophysical strategic agricultural land and crucial industry clusters)²⁶ and decide whether or not to issue a gateway certificate. If a gateway certificate is not issued, the applicant will not be able to lodge a development application. "This will provide an early and rigorous process to filter out mining and coal seam gas development that would be likely to compromise important agricultural land and water resources. Proposals for which a gateway certificate is issued could proceed to a full merit assessment at the development application stage."²⁷ Figure 7 of chapter 11 illustrated the proposed gateway process with clear "Go" and "No Go" provisions for the lodgement of mining development applications.

3. STRATEGIC REGIONAL LAND USE PLAN UPPER HUNTER – SEPTEMBER 2012

The NSW Government's Strategic Regional Land Use Plan for the Upper Hunter published in September 2012 stated that more than two million hectares of the States most valuable agricultural land as well as the critical water sources that supply it " are now subject to protections never before seen in NSW". "For the first time, large-scale mining or coal seam gas projects proposed on the most valuable of these agricultural lands must be independently and scientifically assessed before a development application can even be lodged." "The national and international significance of the Upper Hunter's wine and thoroughbred industries has also been recognised, with large areas of the region also identified for heightened protection."²⁸

Throughout this Plan, the Government made clear its intention to protect the Upper Hunter's critical equine and wine industry clusters. The plan represented the Government's "proposed framework to support growth, protect the environment and respond to competing land uses, whilst preserving key regional values over the next 20 years."²⁹

Contrary to the provisions in the draft Strategic Regional Land Use Plan Upper Hunter, and the intent of the Government's draft Plan, the gateway process was amended to apply only

²⁵ Draft Strategic Regional Land Use Plan Upper Hunter, March 2012, Premier's Foreword.

²⁶ Outlined on page 83 of the Draft Strategic Regional Land Use Plan Upper Hunter, March 2012

²⁷ Ibid, p 82

²⁸ Strategic Regional Land Use Plan Upper Hunter, September 2012, Premier's Foreword

²⁹ Ibid. p 9

to mining proposals on strategic agricultural lands, and for gateway certificates to be issued with or without conditions (doing away with the up-front provision to filter out mining and coal seam gas development that would be likely to compromise important agricultural land and water resources promised in the draft Plan). This last minute amendment, without consultation and contrary to the majority of stakeholder views at that time, in effect eliminated any up-front protection for strategic agricultural lands and water resources, perpetuating land use conflicts and investment uncertainty for agricultural industries. We understand that this amendment was introduced at the insistence of the mining industry.

4. STATE ENVIRONMENTAL PLANNING POLICY (MINING, PETROLEUM PRODUCTION AND EXTRACTIVE INDUSTRIES) (“MINING SEPP”) AMENDMENT 2012

In 2012 the NSW Government legislated changes to the Mining SEPP to implement the Government’s Aquifer Interference Policy, define biophysical strategic agricultural lands, strategic agricultural land maps, mapped critical industry clusters (for heightened protection), the Gateway Panel and gateway certificates, and other associated policies.

In doing so it amended the aims of this policy to, inter alia:

- Recognise the importance of agricultural resources;
- Ensure the protection of strategic agricultural lands and water resources; and
- Ensure a balanced use of land by potentially competing industries.

5. PROHIBITION OF COAL SEAM GAS NEAR TOWNS AND ON CRITICAL INDUSTRY CLUSTERS, MARCH 2013

In March 2013, the NSW Government announced that coal seam gas exploration and production would be prohibited within two (2) kilometres of residential zones and proposed future residential areas and will be excluded from land identified as a Critical Industry Cluster (including the Upper Hunter horse breeding and wine making industries).

An amendment to the State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) (Coal Seam Gas Exclusion Zones) was promptly introduced to implement this Government decision. In his press release, the then Planning Minister stated “.. we’ve listened to the community and acted. Exclusion zones are a part of additional measures being put in place by the Government to address community concerns about CSG. These changes provide certainty for the community while ensuring that the industry can continue to meet the State’s energy needs”.³⁰

6. THE NSW MINING AND PETROLEUM GATEWAY PANEL

The NSW Mining and Petroleum Gateway Panel, comprising independent scientific experts, was established in October 2013 and was tasked to assess agricultural and water impacts of greenfield and certain brownfield mining applications against the following criteria:

Biophysical Strategic Agricultural Land:

Whether the proposal would significantly reduce the agricultural productivity of the land based on a consideration of:

³⁰New Coal Seam Gas Rules, Media Release, Minister for Planning & Infrastructure, 21 March 2013.

- (a) Impacts on the land through surface area disturbance and subsidence;
- (b) Impacts on:
 - (i) soil fertility
 - (ii) rooting depth, or
 - (iii) soil profile materials and thicknesses;
- (c) Increases in land surface microrelief or soil salinity, or significant changes to soil pH; and
- (d) Impacts on Highly Productive Groundwater, including the provisions of the Aquifer Interference Policy and the advice of the Minister for Primary Industries (note that the Minister for Primary Industries must take into account the advice of the Commonwealth Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development in providing advice at this stage).

Critical Industry Clusters:

Whether the proposal would lead to significant impacts on the critical industry cluster through:

- (a) surface area disturbance,
- (b) subsidence,
- (c) reduced access to agricultural resources,
- (d) reduced access to support services and infrastructure,
- (e) reduced access to transport routes, or
- (f) loss of scenic and landscape values.

In its 2015 Review Report on the Drayton South Open Cut Coal Project, the then Planning Assessment Commission recommended that “the Gateway process needs to be strengthened and its remit widened to ensure it has the capacity to *identify and prevent* (emphasis added) significant land use conflicts from progressing.”³¹

To date the NSW Gateway Panel has determined nine (9) mining applications. An evaluation of these nine proposals assessed by the Gateway Panel to date reveals that had the Government implemented the up-front protections it promised in March 2012, with clear “Go” “No Go” development application provisions, controversial mining applications on prime and strategic agricultural lands would not have progressed to the development application stage, saving communities, agricultural industries and mining proponents much grief, uncertainty and expense.

Table 1 below summarises mining applications assessed by the Gateway Panel to date and the number of criteria not met by those mining applications.

Table 1: Gateway Panel Assessments

#	Name	Criteria Not Met
1.	Spur Hill Underground Coking Coal Project	9
2.	Bylong Coal Project	11

³¹ Planning Assessment Commission, Drayton South Open Cut Coal Project Review Report, November 2015, Recommendation 4(b).

3.	Drayton South Coal Mine (Advisory Report)	Majority
4.	Watermark Coal Mine (Advisory Report)	Majority
5.	Caroona Coal Mine	6
6.	West Muswellbrook Project	9
7.	Drayton South Coal Mine	5 (BSAL only – CIC not examined)
8.	Maxwell Project	5 (BSAL only – CIC not examined)
9.	Narrabri Underground Mine Stage 3 Extension Project	4 (BSAL only)

Source: Mining and Petroleum Gateway Panel website,
http://www.mpgp.nsw.gov.au/index.pl?action=view_job&job_id=6914

In 2018 the Mining and Petroleum Gateway Panel was merged with the Independent Planning Commission.

7. HUNTER REGIONAL PLAN 2036, PUBLISHED OCTOBER 2016

Four (4) years after publishing a 20 year framework to support growth, protect the environment and respond to competing land uses, the NSW Government published the Hunter Regional Plan 2036 - another 20 year blueprint for the future.

This Plan also recognised the importance of restoring balance to the Upper Hunter; the need to end land use conflicts; the need to transition from traditional energy sources to renewables; the need for resilient and diverse regions and the need to protect and grow industries such as Equine, Viticulture and Tourism in the Upper Hunter.

Throughout this Plan, the NSW Government outlines policies and actions to:

- Prepare for the diversification and innovation of the economy in response to long term industry restructuring in coal and power generation and the growth in new high-technology primary industry and associated specialist knowledge-based industries and rural tourism;
- Protect the availability and quality of resources to sustain agricultural industries in the region;
- Protect and enhance agricultural productivity;
- Protect the Equine Critical Industry Cluster and allow for expansion of the industry;
- Maintain support services for the agricultural and equine industries;
- Enable the growth of tourism in the Upper Hunter through integration with the Equine Critical Industry Cluster;
- Support the tourism economy by investigating ways to leverage agricultural and equine industry strengths to attract food based and equine related visitors;
- Improve land use certainty and enable innovation by reviewing and amending planning frameworks.

CASE STUDIES

CASE STUDY 1: DRAYTON SOUTH/"MAXWELL" – EL 5460

OVERVIEW	<ul style="list-style-type: none"> • 1940's Prospecting for Coal within EL 5460 and surrounds commenced • 1980's and 1990's exploration and mining licences issued, lapse and reissued. • Early 2000's – 2010: interest in exploration and mining rekindled • 2011 – 2019: 3 applications for mining lodged for EL 5460 footprint. First 2 (Open cut) rejected and/or refused by 4 PACs; third application in process • <u>Over 30 years of community and investment uncertainty since original development approval granted then lapsed.</u> • 3 applications for mining since 2011 (averaging about 1 every 2.6 years) in close proximity to thoroughbred breeding operations and nearby town - creating community division, community and investment uncertainty, loss of agricultural investment attractiveness, depletion of property and persona/social rights and values, and community angst and frustration 	
	COMPANY	TIMELINE
OWNERSHIP	Mount Arthur South Coal Limited	<ul style="list-style-type: none"> • 1986 Planning approval granted • 1989 Mining Lease granted • 1991 Planning approval and mining lease lapsed due to non-commencement
	Drayton Mine	<ul style="list-style-type: none"> • 1998 Exploration Licence 5460 issued
	Anglo American (Drayton South Open Cut Coal Mine Proposal)	<ul style="list-style-type: none"> • 2000 purchased EL 5460 • 2011 DA application for Open Cut Coal Mine • 2012 (November) EIS exhibited • 2013 (December) Review PAC recommends refusal • 2014 Retracted Mine Plan • 2014 (October) Determination PAC refuses application • 2014 (December) company signal it will lodge 2nd application • 2015 (May) 2nd application lodged • 2015 (May) EIS exhibited • 2015 (July) Response to submissions • 2015 (November) Review PAC recommends refusal • 2016 Anglo announces intention to sell Drayton Assets (including Drayton mine and Drayton South EL)

		<ul style="list-style-type: none"> • 2017 (February) Determination PAC refuses application
	Malabar Coal (Maxwell Underground Coal Mine Proposal)	<ul style="list-style-type: none"> • 2017 (May) announce intention to acquire EL5460 from Anglo American • 2018 (February) transfer of ownership complete • 2018 (August) Gateway certificate application • 2018 (August) Scoping Report and Request for SEARs • 2019 (August) EIS exhibited • 2019 (November) awaiting Proponent's RTS

CASE STUDY 2: MOUNT PLEASANT OPEN CUT MINE

OVERVIEW	<ul style="list-style-type: none"> • <u>After nearly 20 years of inactivity</u> (despite a DA consent) under the original owners; the failure to commence mining in accordance with the development consent; the failure to deliver economic and social benefits originally proposed (and upon which the DA was granted); and the preservation of the DA in "legal formaldehyde" this open cut mine commenced open cut operations under new ownership; utilising an outdated development consent; in an environment significantly different to that under which the original DA was assessed; with minimal assessment and scrutiny of contemporary environmental standards; and against community opposition. • The signal that the 2018 approval of this mine sends to non-mining industries and potential agricultural investors in our region, is that mining will be pursued and preferred at all costs despite community objections, regardless of the consequences to neighboring towns and community/social wellbeing, and in preference to sustainable long terms agricultural industries. 	
OWNERSHIP	Coal and Allied Operations P/L (Subsidiary of Rio Tinto)	<ul style="list-style-type: none"> • 1999 granted 21-year development consent. • Despite 2 modifications, no mining commenced on site under Coal and Allied Ownership
	MACH Energy P/L	<ul style="list-style-type: none"> • 2016 (August) acquires Mt Pleasant Operation from Coal and Allied • 2017 3rd modification lodged to extend term of consent and allow mining to commence a few days before modification rules changed • 2018 (August) IPC approves mine extension under old s75W of the EP&A Act 1979.

CASE STUDY 3: DARTBROOK UNDERGROUND MINE

OVERVIEW	<ul style="list-style-type: none"> • <u>13 years after being placed in care and maintenance</u> by one of the world's most experienced miners (Anglo American), a new company with no previous mining experience purchases the Dartbrook underground coal mine and seeks to resume underground mining operations in some of the most challenging geological and environmental conditions and despite community opposition. • Following an IPC determination in August 2019 refusing the five year extension of the DA, the new company is appealing the IPC decision thereby prolonging community and investment uncertainty. 	
OWNERSHIP	Shell Australia (& predecessors?)	<ul style="list-style-type: none"> • 1991 (December) DA approval following Commission of Inquiry. • 1994 underground mine operations commence
	Dartbrook Coal Pty Ltd (Anglo American)	<ul style="list-style-type: none"> • 2000 acquired by Anglo American • 2001 development consent modified. New 21-year mining lease due to expire in December 2022. • 2001 – 2005: six (6) modifications to the mine approved. • 2006 mining operations cease due to spontaneous combustion, flooding and safety concerns. • 2006 mine placed under care and maintenance.
	Australian Pacific Coal Limited ("AQC")	<ul style="list-style-type: none"> • 2017 (May) acquire Dartbrook mine. • 2018 (June) AQC lodge modification 7 to recommence underground mining with change in mining method (from longwall to bord and pillar); transportation of coal by trucks (as opposed to Hunter Tunnel) and extension of DA for 5 years to 2027. • 2019 (August) IPC approves recommencement of mining using changed mining methods; refuses extension of DA due to lack of proper assessment of economic and social impacts. • 2019 (November) AQC announce it will appeal the IPC decision.

HUNTER VALLEY THOROUGHBRED BREEDING INDUSTRY ECONOMIC SIGNIFICANCE

Internationally Significant	
1 of 3	International Centres of Thoroughbred Breeding Excellence in the World – alongside Kentucky in the USA and Newmarket in the UK
1 of 2	Recognised and mapped critical industry clusters in NSW and recognised as internationally significant by NSW Government (2012).
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
Critical Industry Cluster	Recognised by NSW Government as nationally significant industry; mapped and legislated critical industry cluster in 2012/13; protected from coal seam gas mining (2012/13); and earmarked for heightened protection generally.
State Significant	
Critical Industry Cluster	Recognised by NSW Government as State significant industry; mapped and legislated critical industry cluster in 2012/13; protected from coal seam gas mining (2012/13); and earmarked for heightened protection generally.
\$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

HUNTER VALLEY THOROUGHBRED BREEDING REGIONAL SIGNIFICANCE

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
200	Stallion and Broodmare 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
• 9,693	in Mid North Coast, Central Coast, Illawara, Southern Inland and South Coast
• 11,356	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)
85%	Of breeders’ operational expenditure occurs within the local region.

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

HUNTER VALLEY THOROUGHBRED BREEDING INDUSTRY 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
3,080	Racing Club Members
100,416	Attendances
\$564.6m	Value added injected in the local economy 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

Sydney At A Glance	
10,159	Employees and Participants
3	Race Clubs
66	Race Meetings
494	Races
7,550	Racing Club Members
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
8,149	Racing Club Members
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

IPC REVIEW TERMS OF REFERENCE

The Terms of Reference for the Review are:

1. To recommend whether it is in the public interest to maintain an Independent Planning Commission, considering, where relevant, the experience with similar bodies in other common law jurisdictions;
2. To make recommendations in relation to the Independent Planning Commission's operations and the mechanisms by which State significant development is assessed and determined; and
3. Having regard to the above, identify any proposed changes to the Independent Planning Commission's current functions, processes for making determinations, and resourcing. The issues to be considered include but are not limited to:
 - Thresholds for the referral of matters to the Independent Planning Commission;
 - The clarity and certainty of policies and guidelines that inform determinations;
 - The Commissioners' skills, expertise and qualifications;
 - The adequacy of mechanisms to identify and resolve any conflicts of interest by commissioners;
 - The Independent Planning Commission's procedures and guidelines;
 - The extent to which the Independent Planning Commission should rely upon the assessment report prepared by the Department of Planning, Industry and Environment, taking into account any additional assessments by other Government agencies;
 - Resourcing of the Independent Planning Commission and the mechanism for determining budgetary support; and
 - Whether the Independent Planning Commission's Secretariat should be employed directly by the Independent Planning Commission or provided by another Government agency, and if so, which agency.