



T.A.T. Rail

TASMANIAN ASSOCIATION
OF TOURIST RAILWAYS INC.

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28 August 2006.

Executive Commissioner,
Resource Planning and Development Commission,
G.P.O. Box 1691,
Hobart,
Dear Commissioner,

On behalf of the Tasmanian Association of Tourist Railways (TAT Rail), of which I am also representative to its national body, Association of Tourist and Heritage Rail Australia (ATHRA), I wish to provide the following comments and concerns regarding the transport proposals contained in the recently released Gunn's Pulp Mill Integrated Impact Statement (IIS).

Whilst one might be excused for interpreting TAT Rail's position as one related to the sole business of tourism and heritage rail operations, there are significant member organizations of TAT Rail that are stake-holders in the Tasmanian main rail network. In one specific instance (expanded on later in this submission), reference is made in the IIS to utilising a rail-head that falls within the operating scope of one of them. That organization was not consulted by anybody regarding that proposal.

TAT Rail is also made up of people who come from all walks of life and who have an intense interest in the State's transport environment and living conditions. They are particularly worried about the economically unbalanced biases presently adopted between rail and road haulage and reflected within the IIS. There appears to have been significant mis-informed or misleading guidance provided to consultants commissioned to produce the extensive statement.

An agreement between the current rail network owner, Pacific National Tas. (PNT), the State and Federal Governments to allow the upgrading of main rail routes and ongoing maintenance has been accepted by all concerned and will shortly be signed off. Whilst ownership of the network is still some way from being finalised, the end result of the agreement will see the main tracks' ownership handed to the State Government and open access for any accredited operator to transport whatever products it wishes. That means that there is nothing to prevent main line-accessing member organizations of TAT Rail becoming engaged in the log-hauling business, should they be in a position to do so and wish to comply with the relevant requirements of rail safety accreditation.

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The allocation of funding to retain the rail network was specifically granted to counter the threatened devastation and congestion of the State's highways that full closure of the railways would have brought about. It is, therefore, appropriate to ensure that, wherever possible, the railways are used to their fullest extent otherwise, the State is likely to witness the same road problems albeit with an upgraded and fully functional railway paid for with tax-payers' money.

It is ludicrous to invest heavily in railway infrastructure when the intention, as proposed in many parts of the IIS, is to continue to utilise road haulage where railway lines exist and can be used instead. Details are addressed further on in this letter.

TATRail, through ATHRA, is a member of the Australasian Rail Association Inc. (ARA), an high level national representative organization for the rail industry. It plays an important and integral part in the future direction and positive impacts that railways have on the economy, society and environment throughout Australia and New Zealand. In May 2006, ARA lodged a submission to the Productivity Commission's review on the economics of freight infrastructure and efficiency of transport pricing.

In that submission, the point was strongly made that the ongoing development of road pricing principles in isolation to rail would continue to impede competition between the two. Current governments' policies on road and rail need to seriously change to meet the growing freight challenge. For Governments to be serious about rail, a nationally consistent pricing and access framework needs establishing. The road industry needs to adopt an individual pricing mechanism so that all operators pay for what they use. In other words, competitive neutrality is required to equalise the opportunities and options available for heavy haulage on a cost-sharing, safe and environmental basis.

TAT Rail believes that social and environmental pressures being brought to bear on the Federal and State Governments will eventually force them to finally accept the multitude of recommendations from the likes of the Productivity Commission, various Government Inquiries (such as the Neville Report), recommendations of statutory authorities, such as the National Transport Commission (NTC) and overseas best practice to bring about long overdue competitive neutrality between road and rail. When this occurs, the assumptions and economics of the reports presented in the IIS will be thrown into chaos and will no longer bear any relevance to the long term economic outlook of the pulp mill proposal. It would thus seem prudent for Gunn's to take this into consideration in establishing a solid economic, social and environmental basis to progress the pulp mill proposal on a sustainable footing.

The full assessment on the economics of rail versus road in the freight transportation industry can be viewed by reading ARA's Report, which can be located on the link:- <http://www.ara.net.au/dbdoc/FutureofFreight.pdf>

Representative members of TAT Rail, including a specialist advisor directly employed by the Pulp & Paper Industry and a spokesman for the Pulp Mill Proposal support organization 'PLANT', have studied the executive summary, specific sections from reports from GHD on transport arrangements and social impact assessments, Gunn's new infrastructure and off-site ancillary facilities, Jaako Poyry on chemical movement and other relevant parts. As a result, the following analysis and comments are provided for your consideration:

Executive Summary

Although there appears to be an expressed preference for Gunn's to utilise rail as much as possible, it is disappointing that there is only a luke-warm commitment to that mode as demonstrated by the following points raised within the ES:

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- The commitment to rail is limited to wood supplies sourced from outside the local catchment areas of the North East (i.e., North West and South).
- Consideration of the pros & cons of potentially not using rail severely understates the negatives of the continued and increased use of the road option and fails to adequately address the scale of infrastructure damage, pollution (green-house gasses), health risks to residents and safety risks to other road users.
- There is no commitment to utilise rail, as much as practicable, within the North East, despite the existence of the currently disused North East Line to Scottsdale and Tonganah that connects to the Bell Bay Line at Coldwater Creek. The Line can be revitalised for loading logs at a number of pre-existing log handling yards, such as Tonganah, French's, Blumont, etc.
- Presumably, in lieu of the North East Line, timber feed-stock from the North East region will be trucked along the B82, B83 and B84 roads which, whilst faster and more direct than the rail option, clashes with residents travelling to/from the Bridport area, tourists doing the same, tourists travelling the 'Wine Route' via Pipers River, Pipers Brook, the Lavender Farms, etc. NONE of those concerns has been given any consideration within the ES.
- Whilst the rail option in the North East is nowhere near as fast or as direct as the road option, the issue is immaterial as continuity and reliability of supply should be the overriding issue with regards to timber, rather than speed of supply. On top of that, one train will deliver in one trip more than a series of truck movements over a given period.
- The ES, in consideration of transport options, has bizarrely exaggerated the negative consequences of increased rail traffic (level crossing issues, etc.) and is completely out of proportion to the understated negatives of increased road truck traffic.
- Whilst it is accepted that truck transport is essential from areas without rail access, there is no commitment to ensure that truck transport is directed at all times to the nearest rail-head to minimise road mileage as much as practicable.
- There is no commitment to utilise rail for transport requirements, other than log feed stock, wherever practicable.
- There seems to be more concern about some questionable potential minor consequences to some plants and animals affected by the mill's construction than the well recognised devastation wreaked on Tasmanian fauna by over reliance on road transport.
- There is no commitment to transport sustainability or recognition of green-house and fuel supply issues, etc.
- There is an assumption of unquestioned taxpayer support of transport infrastructure (roads) for private benefit.

GHD Transport Arrangements and Gunn's Considered Options

Whilst the overall conclusions of the study support the use of rail, it is fundamentally flawed in that the benefits of rail and conversely non-use of rail with attendant road traffic increases are severely understated due to the following:

- The use of the 'Control' comparative baseline, based on the current situation where Gunn's has totally foregone the use of rail to supply logs to both Longreach and Hampshire, artificially inflates the non pulp mill truck traffic baseline and accepts the current poor transport mix and environmental consequences without question. An option should have been considered that took into account the past use of rail to Longreach, which would have

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considerably reduced the current road truck baseline, and hence given a truer picture of the actual volume increase/decrease of truck traffic with/without rail.

- The study into rail use options fails to consider maximising use of rail for all traffic flows that may be available to rail, such as a proportion of the available log resource from the North East, caustic traffic out of Hobart, lime traffic from Railton and a proportion of power boiler wood waste from areas adjacent to available rail-heads.
- Proposed rail-heads and alignment with traffic sources are severely limited as are proposed potential train flows. Whilst Wiltshire, on the currently closed line west of Burnie, is nominated, as is a non-existing rail-head at Plenty on the presently unused but latterly Derwent Valley Railway Inc. (DVR) operated upper Derwent Valley Line, no consideration has been given to potential railheads at Melba Flats/Rosebery & Hampshire (Melba Line), Railton (Western Line), Blumont, French's & Tonganah (North East Line), Fingal (Fingal Line) and Conara Jc., Parattah & Hobart (South Line). Significantly, the majority of the locations mentioned that weren't nominated possess existing log handling facilities. The lack of listing many of the above named potential terminals artificially inflates road to rail mileage, particularly Hobart - Bridgewater (Rogerville), South East resources to Bridgewater (in lieu of Parattah), Eastern resources to the mill by road (in lieu of rail from Fingal/Conara Jc.), North Eastern resources to the mill by road (in lieu of rail from French's/Scottsdale/Blumont/Tonganah), North Western resources to the mill by road (in lieu of rail from Devonport/Railton) and Western resources by road to South Burnie (in lieu of rail from Hampshire/Rosebery).
- The nomination of Plenty has failed to consider load restrictions barring PNT locomotives from Hayes bridge and beyond and the occupation/maintenance of the line by DVR.
- Insufficient weight is given to the severity of loss of amenity to the community by truck traffic increases with insufficient consideration given to negative environmental and health consequences and conversely improvements via the use of rail. Again, the current high existing truck use baseline minimises the subsequent increase in truck use without rail, whilst the minimal proposed use of rail minimises the subsequent environmental benefits of rail use.
- Acknowledgement is made, backed up with studies of the high truck accident rate and poor outcomes (e.g., high fatality toll) contrasting with the conversely low occurrence and fatality rate of rail accidents, including level crossing collisions. The Transport and Traffic Impact Assessment clearly contrasts a disturbing 6 fatal out of 51 Log and High Productivity Vehicle crashes in comparison to zero fatalities out of 8 crashes involving trains, all of which involved road vehicle involvement at level crossings. It is logical to assume that the increased usage of trucks will lead to a corresponding increase in the total of crashes with an increased occurrence of fatalities, as it was concluded that increased masses of modern trucks lead to higher crash severities. Increased truck usage also means increased exposure to other motorists and increased potential for fatal conflicts. Conversely, there is not necessarily a correlation between increased rail traffic and increased potential for fatal conflicts at level crossings, as level crossing collisions are always motor vehicle induced on a completely random basis. In fact, less rail traffic is known to induce complacency in motorists in that, by motorists rarely encountering trains, they then fail to take appropriate action when encountering one. It can then be argued that increased train frequency and increased exposure to motorists may increase familiarity and therefore more appropriate action. Planned Federal and State Government upgrades of the state's rail track will contribute to a lessening of potential for train derailments, whilst road upgrades do not necessarily have a bearing on reducing potential for truck accidents as many other factors

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come into play, such as 'human factors' involving the truck driver or encounters with errant motorists. The evidence of fatal truck accidents on high quality highways, such as the Bass Highway between Burnie and Launceston, bear this out. Despite the rather stark conclusions reached, insufficient weight from this study is translated into impact assessments of maintaining current or increasing truck traffic rates.

- A distorted picture of truck movement reductions is given by the simple expedient of altering current route patterns, rather than reducing actual truck volumes.
- Excessive weight is given to doubts on the future viability of the rail system. Obviously, maximising use of the system will help solidify the systems viability. Concerns about the politics of the rail network should be outside the scope of the study. However, concerns about the political and social impact of maintained or increased truck usage (where there is a potential rail alternative), particularly on residents in the greater Hobart area, North East tourist region (Pipers River - Bridport), Frankford Main Rd./West Tamar Highway (the latter, where there is already considerable community disquiet) and Burnie hinterland (Murchison Highway/Ridgeley Rd.) are not addressed.
- The provision of rail access into the Pulp Mill from the Chip Mill is not addressed.
- The supply of railway locomotives and rolling stock is not addressed.
- The benefits of minimising truck mileage to private roads, away from the public, are not addressed. Hence, no consideration is given to establishing specially rated industrial roads from timber resource coupe to the nearest rail-head with special restricted road trains to maximise coupe - road - rail productivity.
- The poor economics of double handling from road to rail is exaggerated, due to the failure to recognise subsidised use of public roads which distorts the true costs of the method of transport and public impact.
- Increased fuel costs, labour shortages and the potential for the Government to claim the true costs from heavy road transport (possible Mass Distance Charging, recommended NTC registration increases, increased OH&S restrictions on the trucking industry) are all insufficiently considered in the economic comparison of road only versus road plus rail.

New Infrastructure

- Significantly, no mention is made of providing rail access to the pulp mill.
- If existing rail facilities at the chip mill are to be used, it is not specified and transshipping arrangements between the chip mill and pulp mill are not detailed.
- Redevelopment of the proposed rail-heads is not considered.
- Examination and justification of the nominated rail-heads is not discussed.

Jaako Poyry Main Report

- Little consideration is given towards transport handling issues outside of the proposed wharf, effluent materials disposal and chemicals supply.
- Chemicals supply is automatically assumed to be by road with no alternatives considered.

Social Impact Assessment

- Reports on consultation included the issue of required improvements to infrastructure, including rail.

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- Communities along proposed primary truck routes (e.g., Frankford Main Road, West Tamar/Batman Highways, East Tamar Highway, Pipers River/Bridport/Scottsdale Roads) were not consulted about potentially maintained or large increases in log truck traffic.
- The assessment of stake-holder impacts acknowledged the following:
 1. Increased heavy traffic movements on local and regional roads,
 2. Disruption to local and tourist traffic,
 3. Adverse impact on quality/conditions of local/regional roads,
 4. Increased exhaust fumes from heavy traffic increases,
 5. Road safety adversely impacted.
- Issues nominated for provision of mitigation strategies, inappropriate mitigation strategies, lacking adequate mitigation strategies or completely bereft of any proposed mitigation strategies include the following:
 1. Adverse impact on local & regional roads ~ the high utilisation of road transport, as is the case at present and which is assumed as the baseline for the 'Control' scenario, assumes the present rate of road deterioration as the norm and hence, underestimates the increase of road deterioration arising from increased heavy truck use. The limited scope of rail use fails to exploit the major road deterioration-saving potential if Gunn's maximised the possible use of rail. Maximising rail use, which would potentially lead to a substantial lessening of road use (less than assumed as the 'Control' baseline) would be a major environmental selling point to the community,
 2. The 'Control' scenario unsatisfactorily enshrines acceptance of current road safety and road based environmental problems as the norm and which conflicts with Gunn's endeavours to use 'BAT' (Best Available Technology) in other environmental matters and best practice O.H.& S. that improves on what is the currently accepted norm,
 3. Proposed mitigation measures of increased road use/deterioration is limited to monitoring and consultation with DIER. Nothing is noted about liability for increased road maintenance costs. Who bears this liability – Gunn's or the community (tax/rate-payer)? If the tax-payer is assumed to bear the cost - specifically regional rate-payers - what compensation should be offered by Gunn's?
 4. Severe impacts are acknowledged but no mitigation is proposed for the increased heavy truck traffic on the Frankford Main Road, Batman & West Tamar Highways and portions of the Bass & Midlands Highways. No acknowledgment is made or mitigation proposed for the impacts to the Pipers River - Bridport (B82), Pipers River - Turners Marsh (B83) and Scottsdale - Bridport (B84) roads, nor the Brooker Highway. Obviously, maximising rail use is the most appropriate mitigation measure in those instances, followed by Gunn's funding improvements for road maintenance/improvement measures where maximised rail use has been unable to limit road use increases. Rail is unavailable as a mitigation measure in the case of the Glen Huon Road hence, Gunn's will need to assume responsibility for control measures in that instance,
 5. No mitigation measures are proposed to cover chemical transport, such as utilising rail where possible or public protection measures if forced to use road,

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6. No mitigation measures are proposed for increased fauna deaths through increased heavy road usage,
7. No mitigation measures are proposed for increased health impacts on the community via increased road trauma, pollution and loss of amenity (such as traffic congestion, noise, vibration, visual impact),
8. Mitigation measures pertaining to air pollution do not include that contributed by maintaining or increasing road transport use,
9. The continuation of the current situation of exclusive road supply from the North East catchment to the Longreach Chip Mill (proposed for diversion to the Pulp Mill) is not considered an issue requiring improvement (mitigation), thus perpetuating an ongoing unsatisfactory situation for the environment of the North East,
10. Gunn's considers the increase of rail use to be an issue that requires mitigation measures. Rail traffic increases should not be in Gunn's remit to address as rail traffic levels are a matter that should be purely between PNT (the operator), the Track Manager (if not PNT), third party rail operators and the Rail Regulator,
11. Gunn's proposes to investigate a Code of Conduct for safe heavy road transport operation. This is not a matter for Gunn's to address and should be an issue left between truck operators, DIER and community road transport interests, such as the RACT,
12. Gunn's proposes to investigate level crossing safety with PN. Again, this is no business of Gunn's and should be left as a matter to be addressed between PNT, DIER and the Rail Regulator,
13. No measures are proposed to ensure the retention of rail as a transport option, maximising its use, thus mitigating against the forced reliance on road transport,
14. No acknowledgment is made, consultation offered or measures suggested where third parties may be involved with regard to the nominated rail-heads, such as the nomination of Plenty and the impacts on DVR.
15. No consideration has been given to how Gunn's proposed rail operations can co-operatively co-exist with, rather than obstruct, third party (such as tourist) rail traffic and potentially benefit the tourist rail industry by contributing to the re-vitalisation of some lines currently unavailable to tourist rail operations because of disuse and lack of maintenance.

The points and subjects raised fail to adequately address the deleterious outcomes of excessive reliance on road transport and fail to consider the maximisation of rail use wherever possible as a means of ensuring the best practice, environmentally and socially, transport of mill inputs. The transport issue proposals unnecessarily detract from Gunn's otherwise careful consideration of environmental issues and attempt to invoke best practice environmentally.

The failure to reduce road transport reliance as much as possible, if accepted in the long term, will unfortunately compromise the potential large economic spin-offs to the community that the Pulp Mill could otherwise be offering.

In closing, it must be emphasised that TAT Rail is of the belief that the Pulp Mill proposal is potentially a significant and welcome boost to the economy of the State with considerable flow-on effects to our own member organizations.

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However, for the benefits of the Pulp Mill to be fully realised by our members and the community, it is essential that environmental best practice is achieved in all aspects of the mill's operations, including that with the widest footprint of effects on the community – the transport arrangements.

TAT Rail commends this submission to the members of the Commission.

Sincerely Yours,

Tony Coen,
Representative,
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Stephen Zvillis,
Representative,
62 752130,

On behalf of

Chris. Martin,
President,
0429 418 739.