

**This paper is submitted in response to our meeting on Monday 14<sup>th</sup> May.**

Chris Lock, Aliesha Hawkes, Paul Cabalzar, Chris Martin, Wendy McLennan

***This needs to be about just keeping the railway in place even if it takes 20 years to return trains to Scottsdale the line must be protected for its heritage and community values and potential future freight use. It should not be a comparison of whether the railway should be removed to cater for a bike track.***

***This is not playing around with dollars. It is much more than that. It is the unique asset that the state owns and has developed over a century. It is the taxpayers who have created this vital secure link. To destroy this asset purely for the fad of the time which can wither and die or rotter along and never expand would be a backwards step in developing the North East.***

The first premise is that existing infrastructure, that Bob Vanselow, professional railway engineer, has valued at over \$200mill (\$40mill for the railway track), has been in place for over 130 years, is to be replaced by a cycle trail using \$3mill of ratepayer and government funds.

The second is that this is the last remaining alternate access route to the North East. At the moment everything relies on road vehicles. If the railway asset is destroyed it will cost millions to replace. It is the tendency of modern people to think only of road based transport. If the economic viability of road transport shifts, such as fuel insecurity or global factors, we will have retained our viable alternative.

The state has built the railway over the centuries. It is still in good condition. The inherent capacity of having a railway is massive and the ability of the railway to move produce is huge. The multi million dollar investment by the government in the North East irrigation scheme has been to create wealth and economic production. Rail freight could be the future answer for transport from the region as the railway was built with a 20ton axle loading. It is very shortsighted thinking to remove a railway that is in such good condition and replace it with a bike path.

Infrastructure Tasmania stated that their brief was to understand the viability of the railway proposal and stated that the broader community support was another issue.

You stated that your brief was to provide advice to government about what is ultimately the best for the community and what is the best use of the corridor.

The following points are made in relation to the process:

1. We and the NE community have been kept in the dark regarding the process of assessment and in particular the need for community engagement if the process is to have credibility.
2. The community is certainly not in favour of how the rail trail bike proposal was put together and the lack of consultation.
3. The railway proposal is retaining the heritage of the region, will operate a tourist train to connect the existing attractions and will be creating jobs and build economic development for Launceston and the North East region.
4. The expectation that our volunteer group(s) should have the capability to develop sophisticated business case proposals – usually costing tens of thousands of dollars is unrealistic. As you know we have already produced a range of documents which are useful inputs and you already have

these with the exception of the Vanselow report which was forwarded. There are many other sources of knowledge - your own report from Linqage International for example and, the numerous national and international exemplars – such as the Yarra Valley Railway.

5. We have consistently viewed our proposal as being located in the context of a more strategic regional development strategy for Northern Tasmania and would be most concerned if the assessment fails to engage deeply with this conversation. For example the Northern Tasmania Development Corporation and Regional Development Australia would be examples of key stakeholders in this conversation. We cannot underestimate the importance of this strategic view and assessing the social, human, historic, economic and natural capital benefits of the pushbike and rail proposals as long term regional innovations.

Minister Gutwein stated 'We need to have the facts on the table to ensure that, as a community, we can have an informed discussion about the best use of the rail corridor. The rail corridor between Launceston and Scottsdale presents a unique opportunity to develop a new experience that will enhance the massive appeal of the region'.

### **NSRF Grant Funding**

You mentioned at our meeting that the Dorset Council still had the National Stronger Regions Fund grant money available. As you are aware this grant must have matching funding and that would be coming from the Dorset Ratepayers. The government will be spending \$3mill pulling up a railway line that has been assessed by Bob Vanselow, as 95% ready to go.

The Dorset Council is already committed financially to the Blue Derby bike trail.

The objective of the NSRF is to fund investment ready projects which support growth and sustainability by supporting investment in priority infrastructure.

The rail trail grant did not meet any of the guidelines: –

- Improved level of economic activity in regions.  
There would be a greater return if the railway remains in place. One investor is ready to construct a wine and food centre at Lilydale incorporating a boutique brewery and whisky distillery which will employ at least 12 people. He will not proceed with this project if the numbers of people make it unviable.
- increased productivity.  
The railway proposal will develop Scottsdale for future generations. There are 23 possible training positions relating to the railway that could be based in Scottsdale.
- Increased employment and a more skilled workforce in regions.  
The railway would provide the same benefits as above.
- More stable and viable community.

### **Background to the Bike Trail proposal and subsequent funding by Department of Infrastructure of \$1.47mill.**

- In 2014 the Dorset Council had a plan to demolish the \$200mill railway between Scottsdale and Cold Water Creek and construct a bike track.
- The public were not involved in any of the planning processes related to this project.
- In the 2015 budget funding of \$1.47mill was promised through a grant from the National Stronger Regions Fund. Matching funding from the Dorset Council ratepayers is required to bring this up to \$3mill.

- The State Government changed the Strategic Infrastructure Corridors Act in 2016 to enable the Dorset Council to be appointed as managers of the railway corridor for this alternate use. There is 2/3 of the corridor in the Launceston Municipality.
- When the community realised what negative impact this rail trail would have on their lives they decided to take action.

There was a groundswell of support which resulted in a petition to Council (which they noted and made a recommendation to take no further action), a Reachtel telephone survey conducted 3-5 October 2017 where 70% of the residents of Dorset were opposed to the North East Rail Line being converted to a cycle path. This agreed with a previous online survey conducted by Tasmania Talks, Brian Carlton some months back which held support for rail at 73%.

### **Recognition by the State Government that the railway proposal had not been given fair consideration.**

The State Government instigated a \$50,000 consultancy to assess the merits of a proposal submitted by LNER to re-establish a passenger rail experience between Launceston and Scottsdale on what is currently a non-operational line within the Tasmanian rail network.

The Linqage International report pointed out that the Raylink report was based on full commercial rates using paid contractors, whereas the Linqage report examined where the differences in costings existed and clearly justified the operation of the tourist and heritage sector using volunteer labour including professional engineering services and recycled materials.

There were concerns with the Raylink Assessment. For example he stated that because the railway had been out of action for some time it was necessary to cut all of the joints and redo fish plates with a cost of \$2-\$3mill.

Paul Cabalzar, owner of Nuts and Bolts, has supplied all the material for the West Coast Wilderness railway including fishplate bolts. Paul outlined that most are made for interference fit. Tasmania is the only state where this is done because of limited extremes of temperature. Other than on straights, the bolts freeze rail movement, so they are made interference fit so when they are tightened with a gun they don't come undone again. The only way they come undone is to cut them off. The only time this happens is when they fix the track or move something. This is the way it has been done for 20 years on the mainline rail network.

As you are aware the Minister walked part of the track with Wayne Venn. Wayne worked on the track for 35 years and a copy of his report was given to you. It has been estimated that it will take two days work to replace 50 sleepers. Passenger rail requires less than 10 ton axle loading. This rail was built to carry freight and to the 20 ton axle loading.

### **Background Papers to the proposals and comparison of costs.**

1. The Preliminary Demand and Economic Assessment Document, North East Rail Trail prepared for Northern Tasmania Development. (The disclaimer on this document stated that the market demand assessment undertaken has been completed using existing data sources only. Assumptions made are stated in the report. TRC Tourism recommends that **further assessment of the market demand** for the Rail trail is undertaken to more thoroughly conclude the results.
2. The funding application for the National Stronger Regions Fund.
3. Linqage International – Proposed Passenger Rail Experience between Launceston and Scottsdale
4. Launceston and North East Railway – On Track Consulting – Eamonn Seddon

### Estimate for the Rail Trail

There is no inclusion in these estimates for lifting the railway or the payment of contractors. There is an underestimation of the cost of safety fencing. The estimate of capping material is a gravel payment to one contractor. None of this expenditure is required if the railway is retained. The value of scrap and recycled sleepers was once thought to be the source of extra revenue however scrap prices are low at the moment and a contractor experienced with the task advised that the value of scrap will only just repay the demolition and cartage costs. However, the state government has decided that any material removed from the line remains the property of the state.

There is no inclusion for maintenance of the rail trail. In Victoria a substantial number of bike trails are being passed over to the Government to maintain because of the high costs.

Item	Quantity	Amount	Total
<b>Preliminary Works</b>			
Planning	1	\$30,000.00	\$30,000.00
Safety Fencing	20490	\$20.00	\$409,800.00
<b>Primary Works</b>			
Capping material 2.4m wide	58600	\$22.50	\$1,318,500.00
Cycle lane - Lilydale Road	1400	\$7.50	\$10,500.00
New side Bridge - Barnards creek	160	\$500.00	\$80,000.00
Duckboard / raised platform	3600	\$97.50	\$351,000.00
Signage - trail head	7	\$2,500.00	\$17,500.00
Signage - trail direction	13	\$1,000.00	\$13,000.00
Signage - trail signs	71	\$500.00	\$35,500.00
Old Platform / siding refurbishment	19	\$5,000.00	\$95,000.00
Signs - Road directional	4	\$10,000.00	\$40,000.00
Toilets	3	\$40,000.00	\$120,000.00
Bike rack installation	10	\$500.00	\$5,000.00
Wash-down installation	5	\$10,000.00	\$50,000.00
Major road x over safety fencing	10	\$15,000.00	\$150,000.00
Minor road x over safety fencing	29	\$2,000.00	\$58,000.00
River & creek crossings - bridges	17	\$64,000.00	\$1,088,000.00
Lighting for Tunnel	1	\$20,000.00	\$20,000.00
Grand Total			\$3,891,800.00

### The Grant –

- to use 5 contractors (from outside the region) for 2 years to rip up \$200mill of Government infrastructure and put in a bike trail for a select section of society.
- Older people and families expected to ride a distance of 60kms on a bike.
- Riders would have to drive 15kms to reach the trail head as they have no access to the main line.
- There are no food or toilets available until Lilydale (15kms).
- The track is unsafe and would not cater for the width required for a bike trail – 70metre drop offs in other places.

### Costs involved with the train option.

In calculating the total capital costs for Stage 1 from Lilydale to Wyena a contingency of 20% has been allowed for. Total cost to upgrade the track is \$110,388. (p28 Ontrack report)

Track Infrastructure \$17,990.

Tasrail have indicated that they have sleepers stockpiled for use by L&NER. The only cost involved would be freight which has been pledged.

Level Crossing Infrastructure \$69,500

Civil Bridge Works \$4,500

Mechanical Infrastructure – equipment. zero

- The rail car has been purchased by a private investor who has also paid for its transport from the Don River Railway and all refurbishment costs.
- There is no paid labour for the track work as it is being done by experienced track repairers who worked on the line for Tasrail.
- The accreditation will be sought once the management of the corridor is determined.

### **Corridor Management**

L&NER would prefer to lease the corridor from the State Government. It is understood that an option is for the State Government to remove this section of railway from Tasrail and lease directly to L&NER.

### **Economic Benefits**

Business and private investors have contributed over \$2.5 mill in pledges to upgrade the railway and establish tourist rail operations. There has already been \$200,000 spent on a rail car and trailer as well as associated reports.

In the first year of operation the rail car is projected to carry over 11,250 visitors. This equates to bed nights in Launceston as well as meals and flow on effect to the economy. By year 5 direct expenditure at the railway could be \$1.52mill and this would create a direct economic impact of \$9.8mill. (p.8 OnTrack report).

The fact that the main part of the infrastructure of the railway is still intact means that it can be reopened using minimal capital (available through volunteers). This will bring significant economic benefit to the region as well as being a catalyst for sustainable economic generation in the area.

The economic benefit will be far greater as the years progress - larger trains will generate an income of \$8,000 per day, be operated by volunteers and with outgoings only for diesel.

### **Financial Risk and operating costs**

The rail trail has a capital cost of \$3mill. It has no income and continuing rate payer maintenance costs have not been provided for. There is no provision in the estimate for labor costs.

The railway will be operated using private funding, creating jobs and generating income and investment.

### **Financial capacity and reserves.**

At this stage there is no provision for government support. Pledges are in excess of \$2.5mill have been received (paper provided).

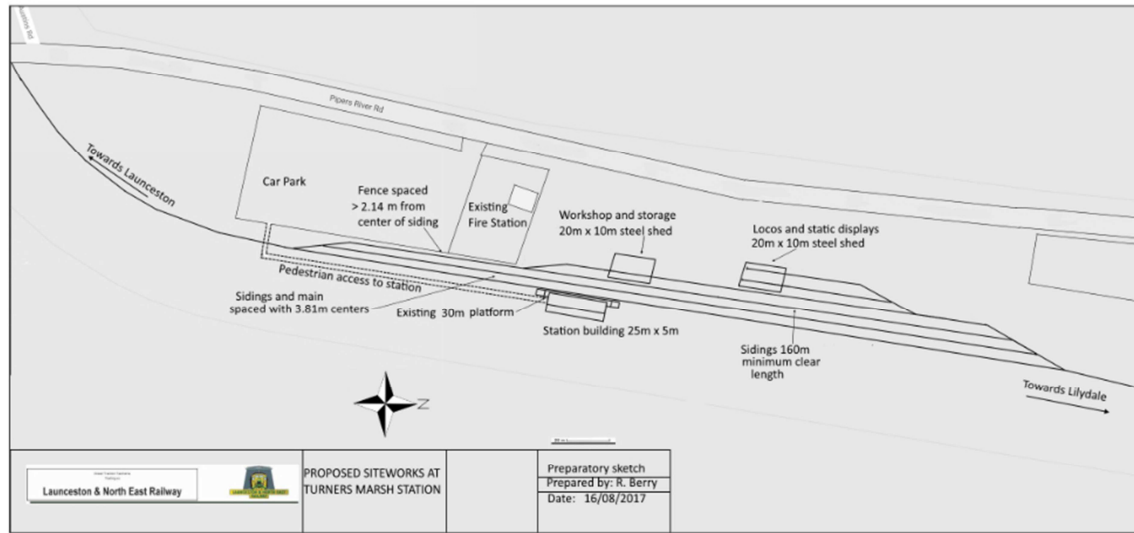
### **Coldwater Creek and Turners Marsh**

The Junction at the mainline and the North East line is one of the most important pieces of infrastructure. It is a turnout or points where one track becomes two. It is an asset for Tasrail if they have problems with their trains – a bad order wagon can be taken out of the train and moved to the side line. It could be used by Tasrail for all aspects of railway operations, such as track maintenance or driver training without interruptions by regular train services.

At the meeting there was a concentration on Turners Marsh as the first segment of line to be reopened. This was also part of the Terms of Reference used by Infrastructure Tasmania who based their assessment on the Lebski report.

We pointed out that Stage 1 would be from Lilydale to Wyena and costings of \$110,000 have been based on that premise. This stage could be completed within 6 months and we have the skills of Wayne Venn, who was a track supervisor for 35 years working on the North East Line as well as some time on

the West Coast Wilderness Railway. He has other workers who are ready to go. He can train people within a week to replace sleepers. We also have support from commercial track installers who are willing to donate their time and equipment to the North East Line. Future vision for Turners Marsh would be:



### Turners Marsh to Lilydale.

It was suggested that this is where the train should operate. This is not an option. To operate a railway there has to be a starting point. Stage 1 would have to commence at Lilydale as it is a township. To operate out of Turners Marsh is not viable. As stated previously Stage 1 is from Lilydale to Wyena. This part of the railway has unique heritage value and is the most scenic - from Lilydale to the Lilydale Falls, through the Tunnel (which is 700mts long) and through the Jubilee Arch into the Denison Gorge.

The bike proposal for this part of the railway line is unrealistic. It discusses lighting the tunnel. The dangers of this are huge. There is water in the tunnel at all times. This makes it difficult for people on foot as it is a wet environment. The quotation for safety fencing is calculated at \$22.00 per metre? That is a very unrealistic figure. The width of the existing railway has been built through cuttings and is unable to be widened for a bike path. The top of the cuttings finish on the boundaries of the fence lines of the farmers. The bike proponents have not been to these unsafe areas where trail bikes and horses will need to pass adjacent to 70m drop offs.

### Operations to Scottsdale

If the railway is removed into Scottsdale, it will mean that it will miss out on a wider demographic of tourism such as the elderly, disabled, family groups. The economic situation in Scottsdale is indicated by the number of empty shop fronts. The railway would create employment opportunities and has 23 direct job opportunities associated with the rail.

Other rail based activities could take place. There is no support for the bike trail from the majority of the residents of the Scottsdale area. The existing bike trail from Scottsdale to the Billycock Hill has been monitored and is seldom used.

Paul Cabalzar (who lives on the line) made the following statement. *"I drove 14kms along the rail trail from Scottsdale towards the Billycock in a car and there had been no push bikes on there for months. It is not used and the people of Scottsdale know this. They are not impressed at all. I am involved because I have 2kms of the line at Coldwater Creek at the junction."*

*I was invited to a meeting where there were 240 landowners from along the line. Their concern is bio security and fire. They cannot have horses, push bikes and motor bikes. You can give the track to them*

*but they will never get through. The farmers do not want people on or adjacent to their properties on these boundaries.*

*The railway has been there for 150 years. It is the heritage and cultural values associated with the railway that is really important to the people living in the area. Before a development is imposed upon them, they should have been consulted and involved in the first conversations. This is such a strong project because we have the community behind us. There is no community support for the rail trail.*

*The railway station at Scottsdale – this building has been vandalised, the police have done nothing about it. We have fixed the fence and the doors so no more damage is done. This is an asset that isn't being used. That is our train station. Our members have stepped in to save it.*

*The Chinese love trains – we can take them to Scottsdale, take them to Barnbough. They will stay more nights in Launceston. I am a business man, I am aware that this train will bring economic value to the region. There is a potential for this being successful is really fantastic.*

*Puffing Billy is very successful with huge number of passengers. I am having opening windows put in the carriage so that it can be used as a proper tourist train. The rail car will be up to scratch to run on the rail. The motor was fixed prior to us getting it. It will do 40 kms per hour.*

*The people will come from everywhere. There is a world wide following of trains."*

### **Safety Requirements and Accreditation**

No rail safety management program is in place as LNER have no mandate to operate the railway. However, Chris Martin as Chairman of the Association of Tourist and Heritage Rail Australia (ATHRA) (representing the operational tourist railways (74 in total)) has connections which will allow this to be completed in an accurate manner with a minimum of fuss. L&NER are aware that they cannot commence work on the line until accreditation is obtained firstly to run maintenance rail vehicles followed by passenger services.

### **Public Liability Insurance**

The quote of \$5,107.40 for \$20million from AON Insurance is attached. This is for a private line for the first stage. L&NER are aware that the insurance will have to be upgraded for passenger movements on the main line to Launceston.

Chris Martin, Chair of SteamFest and the Sheffield Steam and Heritage Centre runs a short railway and has 7,000 people through in 3 days of their major event. Trains operate around 80 days per year and the insurance cost is about \$3k.



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#### General and Products Liability Quotation Terms

Policy Type	General and Products Liability
Insured	Launceston & North East Railway Ltd
The Business	Principally historic tourist railway operations including museum and rail transfers.
Period of Insurance	4.00 pm A.E.S.T – TBA 2017 4.00 pm A.E.S.T – TBA 2018
Interest Insured	Insured's legal liability to pay compensation in respect of: (a) Personal Injury; (b) Property Damage  happening during the Period of Insurance and caused by an Occurrence within the geographical limits in connection with the Business.
Geographical Limits	Anywhere in the Commonwealth of Australia
Limit(s) of Liability	\$20,000,000 any one claim but limited to \$20,000,000 in the aggregate any one period of insurance with respect to Products Liability.
Property in Care Custody And Control	\$250,000 any one occurrence and in the aggregate for all occurrences during the period of insurance.
Deductible(s)	\$1,000 each and every occurrence \$10,000 for personal injury to contractors and/or labour hire personnel
Insurer	QBE Insurance (Australia) Limited
Policy Wording	Aon Broadform Liability
Endorsements	N/A
Premium	\$ 4,000.00
GST	\$ 400.00
Stamp Duty	\$ 157.40
Broker Fee (Including GST)	\$ 550.00
Total Premium	\$ 5,107.40

Kind Regards,

## The Planning Appeals Process

The Strategic Infrastructure Corridor bill requires that planning be obtained for the bike track but not for reintroduction of tourist rail activities which are a permitted use.

Dorset Council would not be able to handle the planning process it would have to be handled by another entity. There will be a whole plethora of appeals. The community is ready to go and maintain the track around their property if the tourist railway project is allowed to proceed.

It is not about the cost of upgrade, it is about what the people in the North East want.

The lack of consultation when Council decided a bike track was to replace trains is a huge issue for the neighbours to the line.

## Liaison with Tasrail

The new Tasrail manager is more open towards passenger operations returning to the mainline network. Once we can do that larger trains can go from Launceston to Scottsdale. The economic benefits are significantly higher than the rail car. The rail car is a crawl before you walk step. Launceston is looking for more bed nights and we will keep people for extra days providing this.

Compared to Hobart, Launceston is light on for attractions and this would link visitors from Launceston to the North East. It would be the connector.

## Government Funding

- We do not require any funding.



- We have a railway which already has 40% steel sleepers – mostly in the higher risk curves. Tasrail were pulling out the steel sleepers from the Derwent Valley and Wiltshire line and putting them into the North East before the closure of the other lines.
- Tasrail have stockpiled sleepers from the mainline for heritage railway operations.
- We have the opportunity to reuse government infrastructure and equipment to turn this into a tourist attraction.
- By using recycled materials off the mainline which at the moment there are plenty of we have the opportunity to do this at a very low cost.
- We have pledges to the value of \$2.5mill. Paul Cabalzar alone has invested over \$200,000 into the project.
- A large percentage of the farmers are prepared to throw money at this when it is required. We can fund this quite comfortably. Paul could do it on his own.

### **Destination Marketing (paper provided)**

This is a much larger project than operating a railway. Tourism can operate from the inside out or you can do it by consulting with the community. What the Dorset Council have done is put in the mousetrap theory. You create the attraction and then hope that everyone is going to come. What you should do is talk to the community, find out what they want. We currently have an icon in the Bridestowe Lavender Farm which attracts over 85,000 visitors per annum. It is are building a \$10mill resort to enable more people to stay. The Barnboughle and Lost Farm Golf Courses are rated highly on the world map. The railway would add to this attraction by transporting golfers from Launceston. The development of major hotels in Launceston would see the railway link these attractions and increase the number of bed nights for the region.

The community does not want to see the railway torn up.

### **Jobs**

We are also looking at jobs. What is lacking in the region is jobs. The rail will create 23 job related opportunities on the railway. At present there are limited jobs in the Dorset region. A bike trail will not create jobs.

### **Mountain biking**

The rail trail is not a mountain bike trail. It should not be compared to the mountain biking in Derby as it is a completely different scenario. The current rail trail from Scottsdale to the Billycock was used over summer by 3 people a day on average based on advice from people who live along the line. It has not generated jobs or economic income for the region. The train proponents would carry the bike riders from Launceston to Lilydale on the train to ride that trail.

There is a huge push behind keeping the railway and not having bikes. The intrusion into the private property of the farmers by random bikes, people, dogs, horses, trail bikes travelling along the rail corridor has them very worried.

***We are not running a toy train over an asset we are complementing the asset and helping to preserve the value of the asset for infrastructure security. We have negotiated for other rolling stock to increase our capacity to expand into the future.***