



An initial proposal to re-establish a passenger rail experience between Launceston and Scottsdale

Prepared by Sarah Lebski and David Reed
for the Launceston and North East Railway

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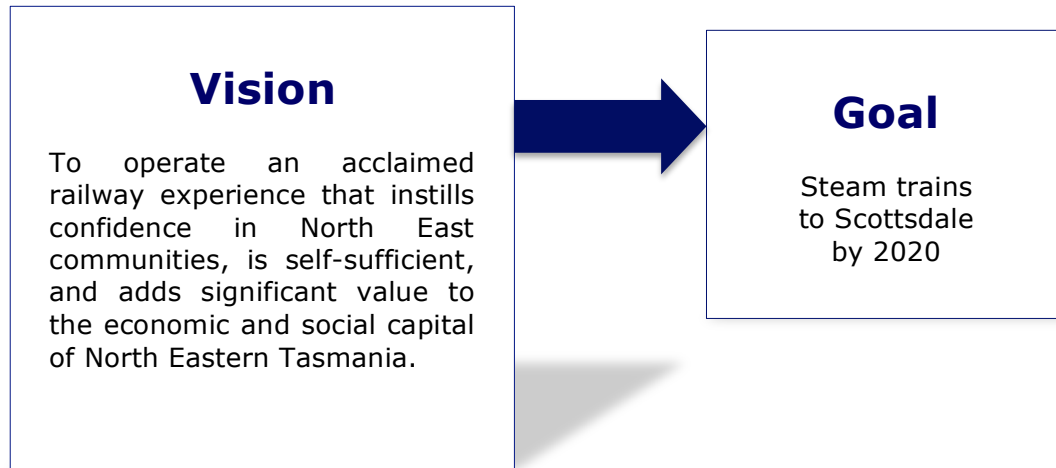
EXECUTIVE SUMMARY

Seven key points to support the retention and use of the North East line:

1. The North East line from Launceston to Scottsdale is one of the most modern, low maintenance, non-operational rail corridors in the country; to remove it is an irrevocable decision to destroy a significant piece of Tasmanian infrastructure, which is also linked to the cultural heritage of the North East region.
2. The removal of the line in favour of the proposed Rail Trail is not supported by the majority of those whose properties adjoin the line, and there is increasing opposition within the broader North East community. The ability for the Rail Trail proposal to acquire a social license is highly questionable.
3. Launceston and North East Railway (L&NER) who have commissioned this document, is a very capable organisation with a clear plan, tangible support and substantial rail assets in hand, and unlike the Rail Trail, does not require any public monies to bring its proposal to fruition.
4. A signature tourist rail experience has a greater capacity than the Rail Trail to enhance regional economic activity through packaging with complementary products – e.g. vineyards and the Bridestowe Lavender Farm and developing a diverse and exciting range of rail-based product offerings, all of which has a significant multiplier effect. Cyclists can utilise the Rail Trail without any spend.
5. L&NER is very conscious of the need to assist the Scottsdale community, given job losses there over the last decade, and believes that the rail experience can facilitate social and economic benefits to the township and surrounds. These benefits can commence immediately after the lease has been granted.
6. If deemed necessary, a joint use, 'Rail and Ride' experience could be developed; there are successful examples of this approach around the country and internationally.
7. L&NER believes that as a result of the recent amendments to the Strategic Infrastructure Corridors Bill, the Minister is prevented from granting any track removal notice until a study has been completed to ascertain whether a rail trail could be co-located on the corridor with the existing track.

NORTH EAST RAIL PROJECT

An initial proposal to re-establish a passenger rail experience between Launceston and Scottsdale



THE PROPONENTS

The desire to re-open the North East line has galvanised a range of stakeholders including Diesel Traction Tasmania, Tasmanian Association of Tourist Railways Inc. (TATRail), Keep our Rail Lines Tasmania (KORT) and a number of high profile, private supporters. Diesel Traction Tasmania is now trading as Launceston and North East Railway (L&NER) and is the lead proponent. L&NER has immediate capacity to commence this exciting project.

This proposal has been funded by prominent Launceston business identity, Paul Cabalzar who is also the Patron of L&NER.

SCOPE OF THIS PROPOSAL

The following document is not intended to provide a full business case for the re-establishment of a passenger rail experience on the North East line. Rather it is presented as an initial proposal in response to the recently amended Strategic Infrastructure Corridors Bill whereby a mechanism has been created for passenger services to occur on this non-operational rail corridor.

The paper's key objective is to garner support and use of the corridor for a viable tourist rail business, as an alternative to the current proposal of a Rail Trail. Having said that, the proponents are not necessarily averse to a shared use of the North East rail line where a solution can be found to accommodate the needs of both parties – those who seek a rail trail predominantly for the use of cyclists, and the proponents of a signature rail experience on one of the most modern, low maintenance, non-operational rail lines in the country.

In our view, this is not simply a case of 'bikes' versus trains. It is about the preservation and use of an important historical asset which otherwise, will be lost forever. It is also about viable public/private partnerships for infrastructure development, an investment in cultural and heritage capital, and the economic and social returns that can be gained by connecting North East communities with a broader, long term vision to assist the revitalisation of the region; a vision that can generate almost \$1m a year into the local economy.

It is not within the scope of this document to develop a model for a mixed use rail corridor, however there are examples of successful co-existence using several different systems – e.g. the Bellarine Rail Trail (Victoria) includes a section from Drysdale to Queenscliff which runs beside the Bellarine Tourist Railway. Cyclists can put their bikes on the train if they don't wish to ride in one or both directions of this trail.

The former Deputy Prime Minister and prominent rail advocate, Tim Fischer AC has endorsed the reopening of the Launceston to Scottsdale railway line:

Rarely does a scenic railway track with a market anchor and a tunnel as a bonus become available for development as a tourist and heritage railway. The Launceston to Scottsdale rail project has very solid potential to be a drawcard of great value in a part of Tasmania easily accessed by tourists, but to some extent overlooked due to not enough activity of diverse interest.

Further it is not impossible for such a rail project to underpin a rail trail nearby pathway to offer enhanced activities and choices for tourists of all ages, through spectacular scenery.

The anchor of a major airport hub at Launceston and the not so distant Devonport Ferry hub also helps ensure the NE Line can become a regular 'go to' destination for tourists from the mainland and beyond, in addition to Tasmanian users.

Wales as part of the UK, is a good example of multiple and successful rail heritage and tourism operations, albeit with huge markets nearby and super hubs such as Cardiff and Crewe. Alas, the Welsh Highlands Railway also has the first Garratt that operated in the world (in fact on the North East Dundas Tramway of the TGR), pointing to another lost opportunity for Tasmania.

Let the L&NER Tasmania proceed and succeed, let it not be a lost opportunity.

HISTORY

The North East Railway line was officially opened in 1889, principally to freight agricultural and timber products out of the region, as well as providing a new and significant mode of transport for local communities. The Launceston to Scottsdale service operated twice daily in each direction.

The mid-1970s saw the line transformed from a general carrier to a more specialised operation. This was due to the need to transport china clay from a mine at Tonganah to Associated Pulp and Paper Mills in Burnie. The area's extensive plantations also provided pine logs to Australian Newsprint Mills at Boyer. Depots for eucalypt logs were established at Tonganah and Derby (1979) and Herrick (1982). The ARHS Bulletin (March 1997) noted that, 'all this new traffic produced the highest tonnages and heaviest trains ever seen on the line'. Such activity was timely as it occurred when the line's traditional freight was rapidly disappearing.

Freight traffic on the North Eastern-Line was traditionally made up of a variety of commodities. Outward traffic consisted mainly of sawn timber, logs, firewood, potatoes, dairy produce and livestock. Inward traffic consisted of fertilisers, fuels and everything else required by town and farm residents from beer to machinery.

Australian Railway Historical Society Bulletin, March 1997

The line's strong reliance on the fortunes of the timber industry saw a gradual decrease in services from the 1990s, as road competition and changes in volumes and loading points challenged its viability.

Precedents for the proposed L&NER operations already exists. In the 1990s, the Don River Railway ran occasional and very popular passenger trains on the North East Line, stopping at Providence Vineyard and scenic spots along the way. This ceased in 2004 when Pacific National terminated operations and also banned tourist and heritage rail from using the line.

The line from Scottsdale to Coldwater Creek was extensively overhauled and modernised approximately 16 years ago, including the installation of a large number of steel sleepers. This work ensures that the line will only require minimum maintenance in future years – despite reports to the contrary from those who are not in favour of the line's retention.

The development and use of the North East line is highly significant to the history of the region. The railway was a 'lifeline' for isolated communities and opened up the region to the rest of Tasmania. It facilitated economic growth for the area for more than a century and the proponents of its reopening strongly believe that it can do so again.

LINKING CULTURAL HERITAGE AND SOCIAL CAPITAL

The story of the North East line is also part of the cultural heritage of the region, a source of collective memory for generations of local communities whose families were affected by it.

Its ongoing use will provide a strategy for protecting and developing traditional skills. Through shared activities of mutual interest, significant social networks are formed, which are beneficial to both the individuals involved and their broader communities.

Research suggests that these networks encourage good health and emotional wellbeing, which assist in improving quality of life. It is also acknowledged that cultural heritage plays a significant part in building social capital, whether it be oral history recordings, creating and participating in events and programmes at heritage places, or guiding visitors through a local history museum. **Source:** Murzyn-Kupisz, Monika and Dzialek, Jaroslaw, Cultural Heritage in Building and Enhancing Social Capital, Journal of Cultural Heritage Management and Sustainable Development, Vol. 3, No. 1, 2013.

Local resident, Gary Shepherd and his family, exemplifies this connection. His forbear, George Shepherd was born in Hertfordshire in 1847. He began work in England on the Great Northern Railway at the age of 15, and ultimately moved to Tasmania where he was in charge of constructing the North East line from the laying of the first rails on January 4th, 1887. He died in 1922 and was buried along side the railway at Wyena where his grave remains today. George's son, Charles Shepherd laid the fish plates from Turners Marsh to Wyena. (These plates are bolted to the side of two abutting rails in the process of laying a track.)

Like many heritage railways, the Walhalla Goldfields Railway is run entirely by volunteers. Local medical practitioners routinely suggest that their patients could benefit from involvement with the Railway's operations, which is viewed as a quasi 'Men's Shed'.

Volunteering is a key component in this process of building more resilient communities, and the success of the L&NER proposal is based on this approach.

CURRENT STATUS

While it appears that the extension of a rail trail along the North East rail corridor is impending – and with it, the permanent removal of the rail infrastructure, there are a number of pertinent issues that require further exploration/discussion:

- The Strategic Infrastructure Corridors Bill has recently had some significant amendments to accommodate tourist rail opportunities across the State.
- A recent track inspection and 'Condition Report' by a retired TasRail track inspector suggests that the restoration of the railway line to an operational standard will be far less costly than removing it for scrap, as advocated by Rail Trail proponents.
- There is significant resistance to the Rail Trail from farmers and others whose properties adjoin the line. Their views have already been publicised – in short, they are concerned about biosecurity and privacy issues relating to use by cyclists, horse-riders and walkers. A similar case is underway in New South Wales with regard to the proposed Wagga to Ladysmith Rail Trail.
- Opposition extends beyond the landowners. The North East Residents and Farmers group (NERAF) was established in 2015 to give a voice to those in the community who felt that their views had not been heard. NERAF now has more than 245 supporters, and over 350 North East residents signed a petition presented to the Legislative Council on 12 October 2016 opposing the 'lifting of the rails...to either facilitate a cycle trail...or at all'.

The petitioners urged the House 'to consider as an alternative a joint user project whereby cycle path elements could be built adjacent to the railway line and serviced by the railway line...' The question must be asked as to whether the Rail Trail proponents have achieved the social license to successfully undertake their project.

- In a letter to the members of the Legislative Council in September 2016, the Chair of TATRail, Chris Martin raised a number of significant issues including land tenure along the rail corridor. He noted that, 'it is understood that some of the rail corridor is on land with use rights stipulated at the time of the original acquisition. It is understood that the Strategic Infrastructure Corridors Bill provides Government with the power to compulsorily amend titles and to acquire the land which actually contains the railway formation'. It is suspected that ongoing use of the line for a railway would avoid these substantial corridor consolidation costs, while enjoying complete support from the many neighbours who live and work in the vicinity of the line.

A STAGED APPROACH

L&NER has a clear plan for the re-establishment of passenger services on the North East line, and they have the capacity within their group to bring that plan to fruition.

In the first instance, L&NER proposes a staged approach, which will see a number of operational milestones:

- Stage 1 2017: Lease of rail corridor from Coldwater Creek Junction to Scottsdale. Rail motor operating between Turners Marsh and Lilydale Falls, establishment of secure sheds, and basic parking and other visitor facilities at Turners Marsh, including the creation of a siding for parking off the line
- Stage 2 2018: Extend operations from Lilydale Falls to Wyena/Lebrina vineyards and the Denison Gorge
- Stage 3 2020: Full operations, Launceston to Scottsdale including Nabowla/Bridestowe Lavender Farm.

The proponents are very conscious of the need to assist the Scottsdale community, which is still reeling from major industry and job losses over the last decade. While the following ideas must be subjected to their own business planning and are clearly dependent on the outcome of this proposal, they can offer real potential for the township and surrounding areas:

- A workshop space for volunteers in Scottsdale
- A refurbished Scottsdale railway station providing coffee to train and drive-by customers, and cycle hire
- Additional tourism-aligned businesses in the adjacent area
- Pedal powered rail bikes before (and after) the train line reaches Scottsdale
- A railway museum/interpretation space.

Firstly however, and prior to Stage 1, there are some significant steps that must be undertaken. These are outlined below.

BEFORE A PASSENGER EMBARKS ON A TRAIN...

1. The entity is Diesel Traction Tasmania – an Incorporated Association trading as the L&NER, which becomes the proponent to which the Government responds. The organisation has a heavy slanting of former and current TasRail employees within its ranks and is technically very competent.
2. The granting of a lease of the rail corridor between Coldwater Creek Junction and Scottsdale – presumably with the lessor absolving itself of any present and future responsibilities, thereby transferring the whole asset to L&NER.

Before any rail mounted work on vegetation, drains, sleepers etc. is commenced, a Safety Management System (SMS) will need to be prepared by L&NER and approved by the Office of National Rail Safety Regulator (ONRSR). This will be prepared by Andrew Bridger, an experienced rail safety accreditation consultant.

3. Hi-Rails and maintenance vehicles can then be used on the line and subsequently an engineering certification program will need to be initiated. This will be done through Chris Martin's engineering practice CSE Pty Ltd – also at reduced charge.
4. The initial run from Turners Marsh to Lilydale Falls (approx. 12 kms) will require an official Track Inspection. 10 kms of this track has already been walked by an accredited Track Inspector who reported that the only work required was the replacement of 50 sleepers – about a week's work with a full crew. It is understood that the Karoola bridge will require a new deck. L&NER enjoys the support of the Arnold brothers who will look after timber supplies for this project at significantly reduced costs. CSE Tasmania will project manage the decking and re-decking of the bridge.
5. L&NER will then have to pass Operational Rail Safety Accreditation, which involves training and qualifications for all the staff to operate a railway, and full implementation of the SMS. This process will be overseen by Andrew Bridger.
6. Public Liability Insurances will have to be placed and premiums paid.

Once these steps are fulfilled, L&NER can accept its first passengers!

HOW TO START

L&NER is seeking to establish an influential Board of Directors to guide this project through to its conclusion. It will include prominent Northern Tasmanian business people whose skills and experience will provide a high level of comfort and credibility for project partners.

Beyond a governance priority, there is the first practical task: L&NER proposes to commence their operations by building a shed across the track adjacent to the existing bluestone Turners Marsh platform. The shed will incorporate a, store and doors at either end. This will provide all-weather embarkation, maintenance, security, and basic visitor facilities at Turners Marsh.

PLEDGES AND COMMITMENT

L&NER has already amassed a significant level of support for the project, demonstrating its credentials and intent. So far, through pledges and commitments, they have acquired:

1. Two locomotives currently held by DTT
2. A railmotor from Burnie (awaiting confirmation)
3. Four air-conditioned carriages currently in Melbourne and recently retired from the Queenslander service. Owned by Total Quality Solutions Pty Ltd, with an intrinsic value of >\$400k
4. Two sets of points and approx. 200m of track from TasPorts
5. Trusses for the shed that will be required at Turners Marsh
6. Free access to Accreditation, Safety Management Systems, Certification of Railway Operations and Engineering Certification through consultant benefactors.

L&NER is also in the process of tendering for TasRail diesel locomotives.

L&NER has proposed that a railmotor product will be established within 18 months of a lease being granted.

VISITORS AND RAILWAYS

There are many examples of successful heritage rail operations around the world. It is now an established fact that tourist railways are an important part of visitor infrastructure, and that they work for both their host communities and the visitor.

Closer to home, the West Coast Wilderness Railway peaked at +55,000 patrons, at a ticket price that averaged over \$80 and rose to \$180 for a premium experience in 2006. In fact, after souvenirs and food and beverages were included, the turnover that year was in excess of \$5.3m.

So, there is no reason L&NER cannot perform financially.

The major tourism highlights are:

- The railway passes through some magnificent scenery – including the Denison Gorge, which is only accessible by train
- The trip is over 60kms long – just on the limit of a tourist railway timetable
- It can stop at places of interest including attractive Reserves
- It winds its way through some of the wineries of the North East
- It can stop at a station within 10 minutes drive from the Bridestowe Lavender Farm.

L&NER STARTING UP (THE HEADLINE BUSINESS CASE)

The initial public offering will be a railcar (to be purchased from the Burnie Municipality), and after some \$10 to \$15k of renovations, this car can carry about 80 passengers. It will travel from Turners Marsh to Lilydale Falls with a trip time of 45 minutes.

Timetable

Departing Turners Marsh	Departing Lilydale Falls
09.30	10.30
11.30	12.30
14.30	15.30

Based on a ticket price of \$30 per adult, \$15 per child and a family for \$70, the average revenue per head would be \$18.00.

The absolute maximum revenues would be at 100% load factor: $3 \times 80 = 240$ passengers @ \$18.00 = \$4,320.00

Assuming that in the first year, the volunteer railway only runs every weekend in summer and every Sunday in winter, as well all 13 public holidays, the railway could operate on as few as 91 days, providing a full capacity potential revenue of \$393,129 carrying 21,840 passengers. This is a very conservative prediction without including school holidays, for example.

Over the first three years, the railway could experience growth from 25% of its seat capacity to 50% or more:

Revenue		Load factor	Pax
Year	\$	%	
1	\$98,283	25	5,460
2	\$137,595	35	7,644
3	\$196,564	50	10,920

The running costs of the operations are minimal. Public Liability Insurance to a level of \$20m will be required on a privately leased operational line, and the premium would be around \$15,000 given interstate examples.

L&NER has no paid staff; the whole operation will be managed and operated by volunteers and so the only costs are maintenance and fuel. For a railcar, the fuel is around \$20 per hour.

Costs per day

3 trips @ 45 minutes each way = 4.5 hours in total. \$20 per hour = \$88 fuel costs per day; for 91 days=\$8,008

Other outgoings	\$
Compliance, accounts and audit costs	4,200
Insurance	15,000
Annual safety training and accreditation	1,500
Maintenance – line	20,000
Maintenance – railcar parts	5,000
Fuel	8,000
Power for yard and sheds	\$1,000
Costs of operations	\$54,700
5% contingency	2,700
Total costs	\$57,400
RESULT	\$40,800

In summary, with a railcar operated by volunteers approximately 90 days a year going to Lilydale Falls at an average rate of \$18 per person, L&NER can demonstrate it will operate profitably, cover its outgoings and maintain the line in Year 1, with only 5460 passengers.

NOW TO THE FUTURE

There is no point in developing a detailed business plan at significant expense that involves various other parties, different passenger ticket options and many hypothetical assumptions. The variables are simply too great to be meaningful.

But when the line is completely available from Launceston to Scottsdale, there is no reason why the following case for a special Easter weekend would not work within say, five years. This is provided as an example of the North East line's tourist potential.

Please note: Businesses referenced have not been approached to support this plan and they are provided as indicative examples of the attraction quality in the region that could work with the rail experience.

Assumptions and concepts

- A steam locomotive from the Tasmanian Transport Museum or the Don River Railway is transported to Launceston on the basis that they share in the revenues
- Passengers embark and disembark trains in Launceston at Inveresk
- The railcar is based in Scottsdale and meets the steam train half-way
- There is a shuttle bus owned by the lavender farm, that shuttles between Nabowla station and Bridestowe Estate
- There are four air-conditioned carriages provided by Total Quality Solutions Pty Ltd, which carry 50 passengers in each carriage, attached to the locomotive
- The local Council has arranged a Family Fun Day on Good Friday at Lilydale Falls with food, music and a treasure hunt in the Reserve
- On Saturday, Providence Vineyard has a 'Jazz in the Vines' festival for 200 guests who can only arrive by steam train. The tickets are all inclusive. The vineyard is 200m from the rail.
- On Easter Sunday, steam train lovers have the opportunity to go all the way through to Scottsdale returning by bus. Similarly, buses go to Scottsdale to embark on the Launceston return journey. Special reserved seating; food and beverage; stops at Lebrina each way in the heart of the Pipers Brook vineyards; on board wine tasting and cheeses. Corporate sponsored carriages available for the day.
- Easter Monday – Leaning Church Vineyard has a special luncheon in a marquee with tickets again only available through L&NER – 200 passengers.

The special Easter package is only one of many options, e.g. the very impressive Napa Valley Wine Train in California includes Mothers' Day, New Year's Eve and private celebrations as well as a 'Santa Train'.

Should the Tasmanian main line ever be accessible to passenger / tourist / heritage rail, an existing accredited operator on the North East line could, with a switch of some points, take a train from Launceston to the popular Relbia wineries, or to the National Trust's historic home of Clarendon, near Evandale.

The following table only proposes potential revenue on the basis that there are packages and options available. No consideration has been given to some of the practicalities (turning locomotives around at Wyena, for example). This is simply an illustration of the possibilities.

Capacity

Projected Easter Schedule 2020

Capacity per train 200

Fares	Adults	Children	Family 2 + 2	Average
Launceston to Scottsdale				
One way – steam and diesel	\$80	\$50	\$220	\$70
Return	\$140	\$80	\$440	\$120
Lilydale Falls	\$40	\$20	\$100	\$25
Charter	\$100	\$0	\$400	\$100
Steam through to Scottsdale	\$120	\$60	\$320	\$90

	Passengers	Price	Revenue
Good Friday – Lilydale Falls Family Fun Day			
Steam – Launceston to Wyena and return			
Rail Car – Scottsdale to Wyena and return			
Launceston to Lilydale fun day	80	\$25	\$2,000
Launceston to Scottsdale	80	\$70	\$5,600
Scottsdale to Launceston	160	\$70	\$11,200
Afternoon repeat			\$11,200
Easter Saturday			
Steam – Launceston to Wyena and return			
Rail Car – Scottsdale to Wyena and return			
Providence Jazz in the Vines charter	190	\$100	\$19,000
Scottsdale to Launceston	200	\$70	\$14,000
Launceston to Scottsdale	160	\$70	\$11,200
Easter Sunday			
Full Steam Day			
Launceston to Scottsdale	200	\$90	\$18,000
Scottsdale to Launceston	200	\$90	\$18,000
Easter Monday			
Steam – Launceston to Wyena and return			
Rail Car – Scottsdale to Wyena and return			
Leaning Church vineyard Luncheon	190	\$100	\$19,000
Scottsdale to Launceston	200	\$70	\$14,000
Launceston to Scottsdale	120	\$70	\$8,400
Totals	1,780		\$151,600

Should the rails be taken up, they will never be replaced, and the proposed excursions will never happen. There are suitably skilled people standing by, committed to making the railway work again.

While there are significant costs surrounding bus charters to Scottsdale, and additional fuel and operational aspects for steam of course, the principle is simple:

That L&NER has the potential to deliver at least 2000 people across the NE region over one weekend, which would generate significant economic growth, employ many locals and place Scottsdale firmly as a destination.

The table demonstrates that it would be possible to develop gross revenues of between \$150k and \$160k over 4 days!

Given that a mutually rewarding partnership with both the Transport Museum and the Don River Railway existed for the use of the steam locomotive, there would be no reason why those organisations would not share in the generation of good revenues in the one weekend. The flow-on to heritage rail across Tasmania could be significant.

This will go on for many years – this is not a one-off construction benefit derived from a rail trail.

ECONOMIC BENEFIT

Much has been made of the potential economic impacts from the development of a rail trail. However there are some major assumptions in all such propositions – as there are in a rejuvenation of the railway.

There are three issues to discuss here about the economic rationale that is presented in the *North East Rail Trail Preliminary Demand and Economic Benefit Assessment* (TRC 2014):

1. The demand
2. User groups
3. The experience elsewhere.

Demand

The TRC report muddies the water around cyclists and mountain bikes, leveraging opportunities from Blue Tier etc. This is akin to suggesting V8s and Formula 1 have the same attraction. They both involve car racing, but that is the extent of their commonality. One does not feed from the other.

User groups

The conclusions drawn from other experiences demonstrate that rail trails are basically a 'local user' attraction. 85% of Victoria's 'Murray to the Mountains' trail users are locals. The New Zealand examples involve predominantly domestic users. Their locations are such that the local market (the North Island, for example) includes some millions of people. This is clearly not the case in Tasmania where the majority of our visitors must also purchase an airline ticket or board a ferry to get here.

With a population of 500,000, Tasmanians would be hard pressed to make up these numbers. The report also contains commentary regarding international and domestic visitors extending their length of stay by 2.4 nights due to the trail development, and half the Tasmanians would stay an additional 1.4 nights in the region; these are assumptions only.

The experience elsewhere

All these assumptions provide a total of \$6.7m in direct and indirect expenditures for the North East Rail Trail.

A reality check in the TRC report suggests that for the 'Murray to the Mountains', the comparative expenditures were \$470,000 in 2006 (Page 18, Table 7).

Even if that expenditure doubled in the intervening years, it would still not make \$1m per annum in 2016, and there would be recurring, annual maintenance expenses to also be considered; this scenario suggests that the prediction of \$6.7m in economic generation proposed for the North East Rail Trail is very unlikely!

ECONOMIC BENEFITS DERIVED FROM L&NER

First, there is the assumption that an Easter weekend will generate \$150,000 as the example suggests.

There are other long weekends that could generate similar sums – say three per annum, bringing a total of 4 events worth \$150,000 each = \$600,000.

In school holidays (20 days) and the rest of the weekends (20 Sundays), there could be a train going to Lilydale, Scottsdale or the vineyards, raising an additional \$2500 each time – generating a further \$100,000.

The total direct revenue would be \$700,000 and using the North East Rail Trail direct and indirect expenditure model of 91%, a further \$637,000 would be generated, providing a total of \$1.337m.

This scenario requires no public monies, no Government maintenance, and provides great leverage for local producers and events along the corridor.

LEGISLATION

NEW CLAUSE A

To follow clause 95

A. Removal of rail infrastructure

- (1) Despite any other provision of this Act, including section 82(1), a corridor manager may not remove, or authorise the removal of, railway track from –
 - (a) a corridor; or
 - (b) a part of a road that extends between parts of a corridor – unless the Minister has issued, to the corridor manager, a notice (a railway track removal notice) in relation to the railway tracks.
- (2) The Minister may only issue a railway track removal notice in relation to railway tracks if the Minister is satisfied that –
 - (a) it is not reasonably practicable, or would be unreasonably costly, for the designated recreational use to occur on land within the corridor, other than the land on which the railway track is situated; and
 - (b) the removal of the railway track is reasonably necessary for the purposes of enabling the use, or the safe use, of the corridor for the designated recreational use in relation to the corridor.

The interpretation for L&NER is that the Minister must be satisfied on both 2a) and 2b) clauses, not just one of them.

In (a) – it has to be proven that the Rail Trail cannot be built economically and safely alongside the rail track within the corridor, before Ministerial approval can be given to remove any track.

The Rail Trail proposal does not allude to this in any way and no engineering scoping has been done regarding the co-location of a rail trail alongside the existing tracks.

L&NER suggests that the Minister is prevented by the new legislation to grant any track removal notice until a study has been done to see whether a rail trail could be co-located on the corridor with the existing track.

A JOINT APPROACH, A SHARED RESOURCE

The Rail Trail proposal has successfully attracted \$1.4m of public grant monies, with matching funding having to be raised by the proponents.

It has been proposed that the equity will be raised by the sale of the rails and sleepers once removed. L&NER has advice that such an avenue for disposal does not exist – that the market price is less than the cost of removal, thus rendering the equity raising as unattainable.

Should a co-location option be pursued, no equity will be required, as the rail track infrastructure will remain and the full \$1.4m can be appropriated to cycle track development.

A 'Rail and Ride' shared approach is considered viable, but for safety reasons not possible along the full corridor (the tunnel is problematic, for example), but the question is – how many cyclists are capable of undertaking the full 63 kms anyway? There are many examples of rail and ride sharing success stories in Australia and overseas – e.g. the Banbury Cycle Tour (New Zealand) and the Yarra Valley Railway (Victoria) where a section of the rail line is being completely rebuilt and cyclists will have special provisions to take their bikes over that section.

The Rail Trail proposal hinges on multiple access points – assuming users will do small sections of the trail – which is exactly what a Rail and Ride proposal would deliver.

THE MYTH OF REMOVAL OF RAIL TRACKS FOR CYCLE TRAILS

It is a rare occurrence for rail infrastructure to be removed in favour of a cycle trail, here or across the Tasman. Generally, the infrastructure has already been removed many years earlier.

This is probably the only proposal ever to suggest the removal of an operable rail asset.

Grant Craig from Dunedin Railways has recently been contacted and he reports that, *'All new rail trail openings have been on abandoned lines which have no rail infrastructure still in place.'*

He goes on to say that, *'Rail lines with their infrastructure still in place should be retained for heavy rail use. Rail Tourism is increasing but some future foresight also needs to be made for future freight requirements, environmental considerations and having an alternative to road, is also important.'*

About 5 years ago due to a major washout, the Government and KiwiRail closed the Napier to Gisborne railway line and much debate and agitation has gone on in this area over reopening the line (which just this week they have announced they are reopening Napier to Wairoa for logs). The region wants the line reopened not just for passenger services but for freight which will keep down the number of trucks on the road in their region (especially log trucks).'

SUMMARY COMPARATIVE TABLE (KEY ISSUES)

Rail Trail	L&NER proposal
Removal of rail infrastructure which was refurbished as recently as the early 2000s and remains in good condition	Saving of irreplaceable infrastructure and possible joint use
\$3m of public monies	No public monies
Equity raising for the \$ for \$ grant component connected to the sale of recovered steel rails and sleepers, or reliant on the Dorset Council	All equity raising is from the private sector
Long term maintenance and weed control will require public monies. Cyclists don't pay anything for use.	All maintenance carried out by L&NER. Many farmers have offered to maintain weed spraying and the current TasRail weed spray contractor has offered to undertake other areas for the cost of the chemicals
Up to 22,800 potential visitors after 5 years. Market is able-bodied cyclists and is fair weather only.	25,000 – 30,000 potential visitors based on similar heritage rail in Victoria – e.g. the relatively remote Walhalla Goldfields Railway has just had its best year. In 2015-16, it carried 36,000 passengers whilst only operating 3 days a week, school holidays and public holidays. Don River Railway carries over 30,000 passengers a year. An 'all ages' market and not weather dependent.
Health and lifestyle community benefits primarily to the advantage of the larger population catchment of Greater Launceston.	Proposal will enable further agri-business development opportunities along the line, as well as providing benefits to heritage rail organisations around Tasmania – e.g. the Transport Museum, the Don River Railway and Rail Tours Tasmania – also links to George Town's annual Steampunk Festival. Involvement of volunteers for maintenance and restoration, providing a 'Men's Shed' environment which is conducive to improved mental health and general wellbeing.
Planning is problematic as the Rail Trail is a discretionary use requiring advertising and public appeals. The Strategic Infrastructure Corridors Bill requires both Houses to condone declaration of the Strategic Infrastructure Corridor on the basis of a statement of intent. The Upper House has shown support for rail where it is a viable option.	No problems as it relates to existing use – requires a straight forward permitted use application
Social license uncertain	A significant number of landowners and residents favour this concept as per the petition to the Legislative Council
There is no imperative for cyclists to contribute to the local economy – they do not need to purchase a ticket to utilise the Rail Trail.	Each ticket purchased develops an economic benefit for North East Tasmania and provides both opportunities and a flow-on effect for other businesses
Rail trail assessment (TRC 2014) outlines a range of economic scenarios based on various assumptions.	Has the capacity to generate serious economic benefits for the region over many years, including many different but complementary business/experience options and partnerships
Needs Ministerial Approval to remove tracks.	No such approval necessary