



Mr Edward O'Neil
Managing Director
Gunlake Quarries
2/53 Cross Street
DOUBLE BAY NSW 2028

27 February 2017

Dear Mr O'Neil

Subject: Gunlake Quarry Extension Project (SSD 7090)

The Commission recently requested and considered additional information provided from the Department and your company relating to the Gunlake Quarry Extension Project. Having reviewed the information provided, the Commission has concluded that further information is required to enable the proper consideration of the most suitable transport scenario and to enable the Commission to properly consider the Project.

The predominant issue raised in public submissions and by those who spoke at the recent public meeting, was the proposed road-only transport option. Submissions focussed on the potential for the quarry expansion to impact on local road safety as a result of the volume of the additional truck movements.

The Commission would appreciate it if Gunlake could provide the following information:

Road

Council in its response to the request for SEARs requested that the following works form part of the Project:

- 7m wide sealed carriageways, plus 2.0m wide shoulders with 1.0m seal;
- 80km/h design standard;
- 9.0m wide culverts and bridges (from barrier to barrier);
- Centreline and edge lines are to be provided;
- Asphaltic surfaces in village areas;
- Intersection upgrades where appropriate, which many include channelization at Brayton/Ambrose Roads; and
- Pavement testing to ensure the haulage route has a minimum remaining life of 10 years, giving consideration to the proposed increase in heavy vehicle movements.

The Commission requests further clarification that the Projects 'Statement of Commitments' appropriately reflects Council's request, in its role as the local roads authority. Alternatively, it is noted that the submitted Transport Assessment establishes that the haulage route "*generally meets Austroads*" requirements. Confirmation is required from you that the haulage roads will be upgraded in accordance with the relevant Austroads standards in consultation with Council.

Rail

The Environmental Impact Statement (EIS) notes that due to high operating costs and high costs associated with establishing rail infrastructure, the option of transporting quarry product by rail is subsequently unviable. However, based on the information provided, including the Response to Submissions report and supporting documentation, the Commission is not satisfied that the proposed rail option has been adequately considered or tested to determine its feasibility, or that other rail options have been appropriately considered.

In this regard, the Commission requests that Gunlake provide a concept design of a rail spur from the Main Southern Railway Line to the Gunlake Quarry site which will traverse along the western side of the quarry. The concept is to take all reasonable steps to avoid the most sensitive land in this area and shall be accompanied by a preliminary impact analysis, including the consideration of any environmental limitations of the presented option. The Commission also requests an estimated costing of the concept design, including pricing assumptions.

In addition, the Commission requests details of any consultation undertaken with the Australian Rail Track Corporation (ARTC) to date, particularly regarding freight network capacity on the Main Southern Railway Line and the establishment of a rail spur to service the quarry and possible Sydney end unloading points. It would also be appreciated if Gunlake would confirm that it has actively engaged in discussions with other rail service providers as part of the rail investigation.

Economics

The Commission is not yet persuaded that the economic and social assessment adequately addresses the social costs identified as important by the community.

The assessment identifies a zero social cost (Table 4.5 of the EIS). The Commission recognises that some mitigation costs have been 'internalised' in the production costs. However, the Commission also notes that some social costs and other externalities have been excluded from the analysis, including damage to road infrastructure, both on local roads and the National Highway System, accident costs, and greenhouse emissions.

The Commission would welcome further advice on the quantification of economic and social costs, including externalities, in the context of your further advice on the alternative road and rail options.

In summary, the Commission has concluded that the information provided on the road and rail options and the supporting economic analysis does not enable the Commission to fully evaluate the most appropriate transport solution. Given the proposed 30 year life of the approval, the Commission is obligated to ensure that the project is in the public interest. The Commission therefore requests the additional information as detailed above in order to make its determination.

Yours sincerely



Lynelle Briggs AO (Chair)
Member of the Commission



Roger Fisher
Member of the Commission



Brian Gilligan
Member of the Commission