As stated in my presentation to the IPC on Monday, I was involved with the Brandy Hill Quarry (BHQ) expansion and continue being on the BHQ CCC. I am a member of VOWW and MCQAG, have family in Duns creek and Bolwarra, am a member of Paterson Golf club, use the Paterson shops and drive on the roads to Paterson and Maitland. I will be adversely affected again, along with the entire population of the Paterson River Valley, if the commission approves road haulage for this quarry.

Cost/Benefit Assessment.

After listening to most of the meeting presentations, it is clear that the DPE put little value on the loss of amenity and liveability for the people of the Paterson Valley, and the loss of employment and economic activity by Paterson's businesses, because they had no guidelines for doing that. While on the other hand, DPE have believed Daracon's inflated economic assessment of the worth of the project, and the biased lobbying of DPE staff by Daracon and industry bodies. Benefits were assessed as exceeding costs, Pros assessed greater than Cons. DPE's assessment was deficient on both matters.

On face value, Daracon's \$58m valuation of the project seems credible. I hope to convince you that the overall Nett benefit to NSW is in fact negative. If that is the truth, then there are NO Pros while residents have clearly outlined the sizeable social and economic Cons. I'm sure that when you appreciate that the Cons will hugely outweigh the Pros, it will then be an easy task rule against allowing ANY road haulage.

In a market constrained system, adding new production capacity does not change the size of the market or the overall value of that market. There are many books written on this subject. In a simple analogy, opening a new store in a regional town with a fixed consumer population, to compete with existing stores selling the same products, does not increase the market and can only hope to grow its market share at the expense of the existing stores. An Australian study supports this self-evident assertion. https://www.anzrsai.org/assets/Uploads/PublicationChapter/AJRS-22.3-pages-402-to-434.pdf

The document Abstract states:

Shopping mall development in regional towns typically comes with the promise of increases in economic activity and local employment. In contemporary Australia they are often welcomed because of this, and the brands, chain stores, glamour and/or cheaper prices they bring. Nevertheless, there is a thesis that that disputes these purported benefits. Advocates and defenders of endogenous dynamism and traditional town precincts argue shopping malls sideline local entrepreneurship and innovation with negative repercussions for local economic activity and employment. This research provides new empirical research into the short-and long-term effects of shopping malls on Australian regional towns. It does so by testing the claims of both shopping centre advocates and detractors by comparing ABS Workplace data before and after the opening of major malls in three Australia regional towns, and then between nine towns that have had either shopping malls or traditional town centres for over 20 years. The research showed no evidence of increases in economic activity over the short-term following the opening of a major shopping mall and evidence of diminished economic activity and employment over the long term.

The same happens in the quarry business where overall supply exceeds demand in NSW. Any market share gained by one quarry will be market share lost by others. Any jobs created directly and indirectly at one quarry, will be jobs lost at others. Jobs are neither created or lost in the overall sense, but positions and work simply move between producers. The figures provided by Daracon on direct and indirect jobs and the claimed \$58m benefit are not Nett gains to the state's economy.

In a level playing field, the only potential benefit of adding new capacity, is if that new facility can increase competition and reduce costs through production economies of scale or reduced transport costs. Lower costs to consumers can lead to substitution of competing products and grow the market. e.g., replacing steel structures with more reinforced concrete. However, this quarry is 28km from major arterial highways

which is almost 28 km more than most other current and planned quarries in the lower Hunter Valley. Additionally, the General Mass Limited local roads unique to this quarry will incur additional transport costs through requiring more trips to deliver any given quantity of product. The modest scale of the proposed operation will also be devoid of any economies of scale. If the proponent was required to first upgrade the deficient roads to the appropriate standards (as required of other projects), and then also pay appropriate ongoing road maintenance rates (\$ per tonne-Km) to all LGAs concerned, on top of already higher road haulage costs, then this quarry would not be able to sustainably reduce market prices and grow market size and increase overall economic activity. Therefore, any resulting jobs and economic activity associated with this quarry will be at the expense of other producers, as per the above study. There will be NO nett increase in employment in NSW, and NO nett economic benefit.

Quite the contrary, this quarry will have significantly higher production and road haulage costs due to its small scale and 28km of local roads, so will be a high-cost producer. Additionally, the consequential loss of employment in Paterson will drive the economic result negative.

DPE should not have recommended waiving the usual upfront and ongoing costs to help this quarry overcome its inherent inefficiencies, and thereby tilt the playing field from level, and respectively, neither should the IPC.

General Mass Limited Routes.

This quarry is entirely unsuitable for road haulage. Primarily for the proven detrimental impact on Paterson's residents and businesses and everyone that relies on the village's services and roads, and the loss of its character, amenity and attractiveness to residents and tourists. Secondly, any road haulage will be very inefficient, because the General Mass Limit (GML) roads and bridges in every direction limit axle loadings for every type of truck, and limit Gross Combined Mass (GCM) to 50.5t with a maximum payload of approximately 33t for the life of this quarry.

You may be unfamiliar with road haulage regulations regarding axle loadings and Gross Mass Limits. If so, then I recommend you consult with Transport for NSW. It's a complex area. Only certain roads are approved for higher load limits if they meet standards, and then only by trucks approved to safely carry the higher loads.

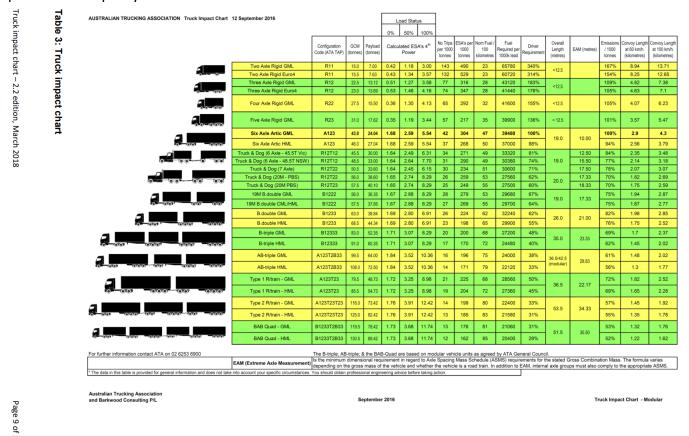
Other quarries with direct access to heavy vehicle routes can use higher axle loadings, GCMs and payloads, which will continue to increase as regulations evolve with truck and pavement technology. The Australian Trucking Association's, "Truck Impact Chart 2018 edition"

https://www.truck.net.au/system/files/industry-resources/TAPs%20-%20Truck%20Impact%20Chart%20March%202018.pdf

lists truck and dogs with 58t GCM and 40T payloads, and larger capacity configurations such as B-doubles have 68t GCM and 44T payloads, which are not and unlikely to ever be available to this quarry. These examples are much higher than Martins Creek's 50.5T GCM maximum.

A key section from the above document is shown on the next page.

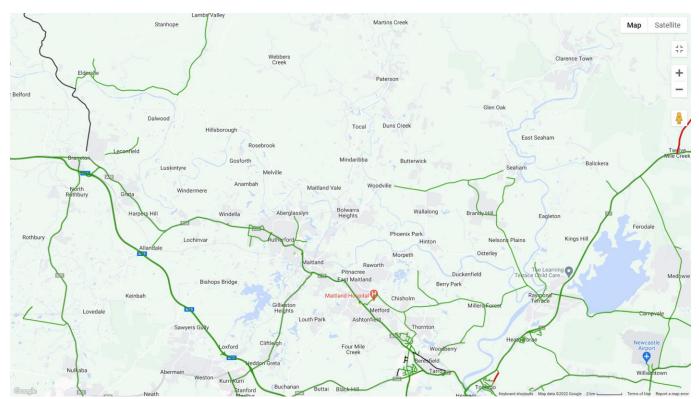
Page 9 from that report is reproduced below. Particularly note the truck and dog entries as they are the predominant quarry vehicles:



The above gives some insight into the magnitude of GML restrictions while the next section proves that they apply to this quarry.

Approved Heavy Vehicle Routes

The following map of designated heavy vehicle roads (in green) in the region is discussed over the page.



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Martins Creek is at the centre top of the map above. The most accessible heavy vehicle route to this quarry is the New England Hwy at Maitland. All roads to/from this quarry are local roads. i.e., Council maintained and more importantly, General Mass Limited. 28km of local roads must be traversed to get to a heavy vehicle route. However, even once on the highway, the transport inefficiencies continue to the destination.

Heavy vehicle (PBS-Performance Based Standards) routes are obtained from this government website: https://roads-waterways.transport.nsw.gov.au/business-industry/heavy-vehicles/maps/performance-based-standards/map/index.html

Zoom into the lower Hunter Valley, you will see the map above (shown in full screen mode) with heavy vehicle routes (PBS level 2) roads in green. None serve Martins Creek. Also note that <u>all other existing and proposed quarries are served by heavy vehicle roads</u> (Brandy Hill, Buttai, Balickera, Teralba and Karuah quarries).

Consequences of GML Roads and Bridges.

GML restrictions increase transport costs by increasing the number of trips needed to deliver a given quantity of gravel, because of reduced payloads. This also inflates traffic congestion and pavement wear and tear over the entire trip to destinations, and return. Even an empty Truck and Dog weighs about 17 tonnes, which is more than most other loaded vehicles, so the return trips are also hard on roads.

More trips and longer trips result in more fuel used to transport the given quantity of gravel to market, and more emissions (diesel particulate and greenhouse gasses) compared to quarries without GML constraints. These are serious consequences for society. Emissions, traffic congestion and noise pollution will be disproportionately higher for this quarry than other quarries that can use more efficient, higher payload vehicles and have a shorter route to market.

Profit will tempt truck operators to maximise their payloads, even beyond what's legal, but the chain of responsibility includes all parties. I encourage you to assess Daracon's fitness to hold a consent by checking their weighbridge records for any loads exceeding GML limits. Nothing should exceed 50.5T.

Of course, road haulage over long distance produces extraordinary more pollution than rail. That is why the Gunlake quarry near Marulan has an obligation under its recent consent, to investigate the environmental benefits of converting to rail haulage.

Rail

Rail will certainly avoid most of the adverse social impacts associated with road haulage. However, it is not problem free. 24/7 is not acceptable. Brandy Hill quarry wanted to operate 24/7 and that was rejected by both the DPE and IPC due to noise impacts on adjacent residential communities. Night-time operations also need lighting, and light pollution in an otherwise dark rural setting is a major issue. If you decree that rail can be used, please restrict operations to the daylight hours.

Alternatives to this quarry

The Hunter Valley is well provisioned with quarries, with more proposed north of RT. Do not believe the biased propaganda of Daracon or the industry. Working with the Brandy Hill CCC, we are told that no quarries in the area are working near capacity. There is oversupply in the market and will be for some time. There is no justification to approve this quarry with is inordinately high social consequences.

None of the other lower Hunter valley quarries have or are likely to have the rail access which this quarry has. Banning road haulage for this proposal will remove all the most serious negative social impacts. I will cover those social impacts later. Rail is available to service NSW's needs. I'm sure you are aware that this

consent is issued to the site. Daracon just lease it and operate it. If Daracon don't want to operate a rail only quarry I'm sure there are other quarry operators who do and would.

If the DPE is primarily concerned about Sydney having a gravel supply problem in the future, then rail is the only mode that should be approved to supply that market and beyond. If you decide that NSW really needs this quarry, then approve it as a RAIL ONLY consent. The lower Hunter Valley is well supplied with quarry capacity, now and into the future, and the other quarries can only use road haulage.

Also do not believe the biased assessments of rail availability provided by Daracon. The current hot news in the Hunter Valley is about the port being allowed to establish a container terminal. The Newcastle herald on 10th November said, "An Australian Rail Track Corporation spokesperson said the rail network had "available capacity for passengers, intermodal freight and bulk grain and coal for the present and future"", and that would be serviced by "six rail sidings which can each accommodate 1.8km freight trains". That is certainly a bigger operation than proposed here. Also appreciate, as mentioned by another speaker, that rail capacity on the coastal lines will be significantly freed up when the inland rail line opens. Daracon's protestations do not hold water.

Prerequisites for any Road Haulage.

If, and heaven forbid, you do allow any road haulage from Martins creek then the proponent must be required to upgrade the roads and intersections to the standards appropriate for the expected volume of trucks, <u>before</u> haulage commences. As other quarries on the southern highlands have had to do. Even as a GML route, upgrades will be needed. If the quarry is excused from this obligation, then the councils (who have no money after all the recent flood and rain damage) and state government will need to fill the funding gap, while other road uses pay the consequences of damaged and unsafe roads.

Upgrading to a heavy vehicle route to overcome the inefficiencies of GML would require an even higher standard of pavement, lane and shoulder widths, intersections and bend radii and a heritage bridge duplication. Costs I doubt the proponent would be prepared to <u>ever</u> pay for.

DPE's proposed conditions gives financial concessions to Daracon, proposing ongoing operations without <u>any</u> infrastructure upgrades. This would be completely contrary and anti-competitive to other quarry operations that are required to do the upgrades first. DPE should not be giving any competitive advantages to any quarry. It is also completely unfair to the community, because the existing rural roads which do not meet the standards for pavement strength, lane and shoulder widths and intersection design, will fall further into disrepair, and are unsafe for the traffic volumes. Damaged roads impact not just the amenity and character of our rural setting, they cost residents in car wear & tear, damaged windscreens, wheels, and reduced safety has the grave potential for harm to life and limb.

A good example of a route allowed to be used by BHQ before being upgraded to the appropriate standard, is Clarence Town and Paterson Roads through Woodville to the BP station at Bolwarra Heights. About 25% of BHQ output historically has and is expected in future to go via Maitland. This route is now severely damaged and in need of reconstruction, even before BHQ doubles its output. Neither Port Stephens nor Maitland Councils insisted on these upgrades at Hanson's expense, even though PSC admitted recently that these roads were mostly constructed in the 1950's. Both councils are now paying the repair costs that greatly exceed any haulage levies (MCC doesn't yet get any from BHQ). Haulage levies are for maintenance only i.e., to maintain the road at the old standard. Reconstruction to a higher standard requires millions of dollars per kilometre, far beyond what a maintenance levy can fund.

Commuters are paying for damage to their cars because martins Creek and BHQ roads are not to the required standards. Last month my windscreen was smashed by a rock thrown up by a quarry truck, and our daughters car suffered a blowout from a deep pothole at Woodville. Many colleagues have had similar recent experiences.

Note that a laden truck has the same wear and tear on a road as approximately 10,000 cars, so don't lay blame on the other traffic as DPE has done. Do NOT allow any trucking before roads are upgraded to the appropriate standards. This applies in all LGAs where you permit haul routes, including "Local".

Routes for Outbound and Inbound Haulage Trucks

Regarding my home area, the recommended conditions don't say anything about only using route 1 for all destinations accessible via the New England and/or Pacific highways, and for inbound (returning) trucks. Routes used to date include Butterwick road through to Raymond Terrace. As you witnessed, Butterwick road is disintegrating from even the limited quarry trucks under the interim orders. It was worse under the full onslaught and the right-angle intersections and complete lack of shoulders through residential areas are completely unsuitable and unsafe for use as a truck and dog haulage route. If road haulage is deemed permissible, the code of conduct must stipulate that only approved routes be used for both inbound and outbound trips.

Cumulative quarry impact

If you do contemplate allowing this quarry to use rourte-1, remember there will be a cumulative impact with BHQ. Both quarry's trucks would be using the section between the BP service station and Melbourne Street, totalling almost 900,000 TPA. 500,000 from MC and about 400,000 from the expanded BHQ. BHQ hasn't yet adopted the new consent so trucks can still scatter anywhere, but once it is adopted, ONLY the Melbourne Street and Raymond Terrace routes will be permitted, further funnelling trucks to route 1.

I understand that the turn onto Melbourne Street is already class F for congestion. Do you believe the DPE when they say that it will be acceptable and safe for 900,000tpa of quarry traffic, plus other normal increases over the next 25 years?

Social Impacts of Road Haulage

Regarding the negative impacts of road haulage, this SSD must be unique in that instead of you having to rely on hundreds of pages of theoretical SIA forecasts, projections and analysis, there is an almost a perfect case study from which to understand the actual impacts and outcomes. Many speakers and submissions covered the lived experience and outcomes. I'm sure you will agree that actual results carry much more credibility than theoretical projections. Also appreciate that the real-life outcomes would have been much worse but for the expectation that the LEC action by DSC would and did, halt the insanity, and people clinging to the hope that the IPC will reject this quarry proposal.

I encourage you to answer this question before assessing this SSD. How many businesses in Paterson were sold after "trucking hell" and why? My understanding is there were quite a lot including the CBC and post office, and the reason is that they were failing due to loss of trade and/or the owners could no longer stand living on the premises because of the truck traffic. Fortunately, under the Interim orders, new owners took them over and have kept the businesses going. They were either oblivious to what had transpired or expected this SSD would be rejected.

Why in all the SIA is there no mention of the loss in revenue for Paterson business during the "case study".

The closure of any businesses in Paterson would likely to have a cascading effect on the other businesses from declining patronage. You might say that's progress, and there are other shopping and service centres for people to use. But hey, its along way to Dungog, and while Maitland is closer, would you want to drive there with convoys of trucks pushing at the speed limits? Any closures will affect the entire population of the Paterson River valley, and beyond. Me included. With amenity and character both GONE. So will liveability and people will be forced to move, just as Daracon owners suggested as the solution when addressing a public meeting at Paterson!

A Contemporary Consent

The DPE wanted a contemporary consent, considering the merits or otherwise of this quarry in the current situation and for 25 future years, and pay little regard to history and previous consents. Clearly the current situation is vastly different to what existed when previous consents were granted, so a fresh examination is fully warranted. The DPE were very good at ignoring the historical lived experiences, and their recommendations are akin to regarding the Paterson valley as an unpopulated desert without people, businesses, flora or fauna. These recommendations fail completely in learning any lessons from the past on social impact and fail completely in assessing the negative economic and job loss impacts.

For a contemporary consent to be truly assessed, the baseline for heavy vehicle traffic must be the current level excluding any existing quarry trucks. This SSD proposes near to a 1000% increase in heavy vehicle movements through Paterson, over that current level.

How many large heavy fully laden vehicles, that were equivalent to but were not quarry trucks, did you see while you were in Paterson? Probably very few! Stock, machinery, grain and produce and building material trucks are occasional and are not working under maximum loads like quarry trucks. The current average daily number of large heavy, fully laden non-quarry trucks is the likely to be in the order of only 20-30/day. Road traffic counter historical data will not give you the baseline figure, because since 2000 its contaminated by quarry truck movements. Increasing heavy truck movements from 20-30 to 200-280 is a 1000% increase. That is not a trivial and inconsequential increase when considering this SSD in a contemporary sense.

While the commissioners will be aware that the truth cannot be assessed simply on the number of people repeating a story on either side of this argument, you will also be aware of "lies, damn lies and statistics" and the story of: "What is the answer to the question: What's 2 +2?" There were many answers, but the most relevant was from the company accountant who answered, "What do you want the answer to be?"!

So please look for the truths and honesty, or absence of, in all submissions. I have not heard or seen any opposing submissions that try to misrepresent or mislead the commissioners. Draw your own conclusions about the information provided on both sides.

I hope that:

- The lived experiences of local people,
- the resulting actual changes in business and residential ownership after unacceptable heavy truck experiences,
- The likely cascading failure of other businesses under the prospect of 25 more years of 1000% increase in trucks and,
- the inefficient and therefore environmentally costly nature of road haulage on 28km of GML limited roads from this quarry,

will convince you that road haulage is unacceptable from this quarry, leaving rail as the only acceptable alternative with appropriate restrictions (daytime operations only etc).

My final points are that this quarry isn't special. It's just another hard rock quarry with products that meet specifications. There are and will be other quarries that can supply NSW's needs, with far less negative social impacts. For example, last week I attended an information session on the proposed Stone Ridge quarry at Balickera. It, the Boral and planned Eagleton quarries will all share a direct and safe slip lane access to the Pacific highway and there are no villages to impact and destroy! Those quarries have driveway access onto the heavy vehicle road network.

Note that PSC recently rejected Boral's proposal to extend quarrying on the grounds that the proposed development would cause unacceptable impacts to road safety resulting in adverse social and economic impacts, and its approval would be contrary to public interest.

The safety and public interest issues for Paterson are of an order of magnitude greater than for Boral. There are and will be much better alternatives to approving road haulage from this quarry.

Conclusions

- Road haulage from this quarry will always be inefficient and environmentally costly due to the GML roads and bridge limited payloads.
- The lived experience of trucks through Paterson was a disaster and the effects on businesses would have been greater if it was allowed to continue and will be much worse over 25 years.
- Any business closures will affect the entire population of the Paterson Valley and beyond.
 A 1000% increase in heavy truck traffic is NOT insignificant.
- While ever there is excess supply capacity for NSW gravel products, there will be a zero Nett increase in jobs or economic benefit to NSW. (There will be a benefit to Daracon though)
- This quarry has a rail siding. The Hunter Valley is and will continue being well serviced by road haulage quarries. If the DPE's concern for gravel supply is for Sydney and beyond, then even more so, rail (if you do grant a consent) must be only haulage method allowed.
- The Australian Rail Track Corporation has stated that there is and will be excess capacity for trains for a container terminal. This quarry will need far less capacity than for that project, and the inland rail line will free up even more capacity. Rail is both feasible, and socially and environmentally extremely beneficial.
- There are and will be other potential quarry sites without the massive negative social impacts of this proposal.
- The recommended conditions of consent do not even come close to adequately preventing, mitigating or offsetting any of adverse impacts from the proposed development
- Please do not allow the Paterson valley population and visitors to be sacrificed to trucking gravel, when the lived social and economic Cons far outweigh the overstated Pros, and there are far better alternatives.

Neil Ritchie Retired Australian Tube Mills IT Manager Frequenter of Paterson and surrounds

Brandy Hill

12/11/2022