

**THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART, ON WEDNESDAY 22 OCTOBER 2003.**

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**GLEN HUON MAIN ROAD WIDENING AND STRENGTHENING**

**Mr PHIL CANTILLON**, MANAGER ROAD PROGRAMS, AND **Mr DEREK PEARCE**, PROJECT MANAGER, DEPARTMENT OF INFRASTRUCTURE, ENERGY AND RESOURCES, **Mr BOB SYKES**, DESIGN CONSULTANT, SINCLAIR KNIGHT MERZ, **Mr ALAN DUGGAN**, PRESIDENT, AND **Mr RICK WATSON**, HUON RESOURCE DEVELOPMENT GROUP, AND **Mr RONALD YOST**, FIX THE GLEN HUON ROAD COMMITTEE WERE RECALLED AND FURTHER EXAMINED.

**CHAIR** (Mr Harriss) - Welcome everybody. I think it would be appropriate to get right into where we left off yesterday.

**Mr YOST** - Mr Chairman, I think just from picking up where we left off yesterday, our committee, which is the community committee elected by the community of Glen Huon, is very happy with what we're seeing in terms of the road. The design parameters have changed significantly from the 5 metre road which Mr Lennon originally committed to, which is all fantastic.

When we originally approached the Deputy Premier and the Treasurer we did give them a very detailed application for the reconstruction of the road of \$7.2 million. That \$7.2 million did include the Pitts Hill straightening area, the deviation. So from our perspective, if you take that \$700 000 out, the \$6.2 million is getting pretty close to what we thought it was going to cost to build the road.

We still have a very strong concern about the vertical alignment on the road, particularly what we call the rollercoaster bits. Obviously with the widening of the road and the horizontal alignment, visibility and all those things will be much, much greatly improved but there is still this rollercoaster aspect where some cutting and some filling which is not overly expensive given that a lot of the road surface is going to be dug up and replaced in any case through this extra \$1 million, it may still be possible for DIER and the contractor to address that.

The biggest concern after that is the start date. We've had to date the three different programs. We have had three difference start dates. We have had various numbers of commitments and it is frustrating from the community point of view that there is still essentially \$400 000-odd being spent, as I understand it to date, when we have not struck a blow in terms of physical work out there on the road. So the March, maybe even April start date is a concern to us and I have spent quite some time with Derek, going through the program and understanding all of those processes. So obviously we appreciate you guys coming back here today and trying to expedite this end of it because this is what is paramount. But it would be very advantageous, I think, if it was possible for DIER to

take the second contract works which is, as we understand, the Huon Highway at the bridge, Alburys corner, Horseshoe Bend and the school. They are being conducted under a separate contract and what we would like to see is that if that work was brought forward and maybe tagged onto the back of the Aurora pole realignments, that type of thing, so that work was done this summer and obviously with the school, if that was done during the school holidays, that would be a big advantage. But the idea would be that if that work was done, not only would we know that there was a commitment and we were getting on with it but then the main contract with CSR Emolium or whatever their new name is, they then would marry into those pieces and I think that generally the dangerous bits would be addressed straightaway. We would be really seeing the whole thing happening and although there are additional administration costs with a second contract, given that they are all at the same site, same area, same project manager, they look to be able to be limited to some extent. So I think that would be really good if that could happen.

**Mrs NAPIER** - Could you just list those projects again?

**Mr YOST** - The Huon Highway junction at the bridge. Alburys corner, Horseshoe Bend and Glen Huon school car park.

Mr Chairman, you yesterday also raised the issue and I thought afterwards there was some confusion at the changes to the bridge. I am not sure where that drawing is now. I am talking about the changes at the Huon Highway at the Huon Bridge and the north-bound log trucks that would be turning west onto Glen Huon Road to go to Watsons Mill. We do not believe that the existing, fast slip lane ought to be brought back. We quite agree with the design as it is. However, when the trucks come from the south, north bound and they turn west into Glen Huon Road, it would be a lot more practical if there was a slip lane just to the site. Yesterday, I think people misunderstood -

**Mr BEST** - So cars can get around, you mean?

**Mr YOST** - The other thing is that the road has a negative camber down it. As the trucks come around this way they will tip. Some of those trucks have big loads and you are ending up tipping out onto the road. So it is a suggestion - and we have talked with Derek about it - which I think they are going to implement. I think it is pretty important that that little slip lane be added to that little island, so that you get the truck back on -

**Mr BEST** - You're taking south of the intersection, is that right?

**Mr YOST** - It will be the south side of that island, yes.

**Mr PEARCE** - Mr Chairman, I can confirm that is now on our plans to implement, to provide that slip lane.

**CHAIR** - Can somebody provide a sketch for us to clarify exactly what you are talking about here? We can come to it later if you like. But if you can provide some indication of what is being intended.

**Mr CANTILLON** - It is basically a widening of that road. Basically, part of the island is being taken to provide extra road pavement there to ease that manoeuvre coming around the corner.

**Mr YOST** - So it becomes a dedicated left turn. I think that is very important.

**Mrs NAPIER** - You're happy with that?

**Mr YOST** - Yes. If that change is made that would be great. I guess, Mr Chairman, the main issue for us is that if Phil and his guys could break that additional works out in the second contract and get that expedited, I think that not only would it have a huge impact on the community and the reservations and the concerns that the community have about the delays on the project but it would immediately address the dangerous bits. Even though the rest of the pavement is in pretty poor shape, the really dangerous bits would be fixed. Otherwise we think the guys have done a great job and it is going to be an exceptionally nice road when it is complete.

**Mr BEST** - Could I just ask DIER on that one. From what I gathered yesterday, we were told that you wanted to let the contractor determine the best, rather than be too prescriptive. What has been suggested I suppose is that you are better interlinking with the project -

**Mr CANTILLON** - I might explain the procurement if you like.

**Mr BEST** - Sure.

**Mr CANTILLON** - That might elaborate it. Essentially we have been negotiating with Ian as the long-term maintenance contractor for a base package of work which is the widening and strengthening over the length and the delineation works throughout the entire project work. Then there is a package of works that were referred to by Garry, Alburys Road, Horseshoe Bend and related works that we will be undertaking or pursuing under a competitive tender situation with the broader construction industry and the intent is to roll out those two packages of work at the same time. If we look at it from when the approval were to come through, the way the works would roll out, is we would undertake - we have a development application for the first section, bar the Alburys Road junction which we have to pick up. We would undertake the power pole relocations as soon as we can get them undertaken. We have already had discussions with them in that regard. Concurrently while we are doing that, we are developing the specifications for the negotiations with the long-term maintenance contractor. Those things will occur and an undertaking in the price negotiations, all prior to Christmas. Then concurrently we are seeking a development application for the second section. We are negotiating for the power pole relocations on the second section and developing a specification and competitively tendering that second package of works.

**Mr YOST** - What is the date you expect to submit the planning application for the second section of the road?

**Mr CANTILLON** - As quickly as we can. Conservatively I would say that we are not going to be out there until March in terms of physically undertaking the works but we will do our best to endeavour to be out there beforehand. The reason I am giving a conservative

view is the fact that the power pole relocations do take a number of weeks to be undertaken and we need to have a clear sight for the contractor to go out there. The survey is done, the design is done effectively; it is really just a case of getting the power pole relocations and then organising a time, in terms of the long-term maintenance contractor for the widening and strengthening, for him to get out there. What we are saying is that with Christmas in there, probably with other commitments that he has on his plate at this stage, the indication we are getting is it probably would not be until the February-March window. But we will be pushing that as hard as we can through the negotiations.

In terms of the competitive tendering package of works, which is the others one you have raised, necessarily, with the procurement side of it, again it would probably be about the March period. But effectively, what we want to do is to find out where the long-term maintenance contractor would be concentrating his efforts and where he's not would be where the other contractor would be working. What we don't want to do is necessarily have two contractors trying to scramble together on the one site at the one time. So we need to be very mindful of that.

Essentially I'd expect that we'll have both groups of workers there from about March at the latest.

**Mr BEST** - I understood yesterday you were talking about the base and I thought most of that was being taken care of where you've got this rollercoaster -

**Mr CANTILLON** - That's correct.

**Mr BEST** - so I'm asking a two-way question here. Which bit is not being addressed?

**Mr YOST** - From the design that we did in the original park the infill of the road where the subsurface is tea-tree and logs and old railway sleepers or whatever is usually along the river, and Derek will know a great more about this. It's just before Pitts Hill and further along there.

The committee's real concern, as Alan has raised as well, is along Menzies rollercoaster.

**Mr BEST** - I thought that was going to be bulldozed.

**Mrs NAPIER** - It's one of the other projects.

**Mr BEST** - I see; you haven't got the money at this stage?

**Mr YOST** - That's right.

**Mrs NAPIER** - What would it cost?

**Mr CANTILLON** - With Pitts Hill, there are works that have been carried out through that area that are already paid for as part of the project in terms of the widening and works of that nature. But with Pitts Hill I would only be able to give an indication at this stage because the scope definition that we have on it is that which was provided to us by the community as what they saw was important. We would have to overlay what we saw as

some fundamental design requirements as well. As an indication, it's somewhere in the order of \$700 000 to \$1 million and that is extra on top of that.

**Mrs NAPIER** - I must admit I was thinking about the Golf Road and the Menzies rollercoaster. This issue of the poor site -

**Mr YOST** - That can't be more than \$100 000. It can't be.

**Mr CANTILLON** - For Golf Road.

**Mr YOST** - Sorry, I shouldn't have said that.

**Mr CANTILLON** - That's all right.

Ultimately it depends on the scope definition. Pitts Hill could be a range of things and that's why I am very concerned.

**Mr BEST** - You're not sure until you dig it up, in other words?

**Mr CANTILLON** - Yes.

**Mr BEST** - Then if that is the case that it's not then you may be able to -

**Mr CANTILLON** - For that magnitude of the money it takes a huge chunk out of the project and really what we tried to do through the entire consultative process, particularly when we were able to secure the additional funding, was work together collaboratively with the various groups to try to design a project that met everyone's objectives and try to agree about what was in and what was out but necessarily if savings were realised along the way we could fall back to the identified candidate projects.

**Mr BEST** - I understand. Okay. So it would be dependent upon what you find?

**Mr CANTILLON** - That's right, as we carry out the works.

**Mr BEST** - I know this is a guess and you're on *Hansard* but is it a 50:50 feeling about it?

**Mr CANTILLON** - The project is very tight at the moment.

**Mr BEST** - Right.

**Mr CANTILLON** - I'd have to declare that because we tried to pack a lot into the project -

**Mr BEST** - I know you have.

**Mr CANTILLON** - we're doing a lot with it and I think it'll make a world of difference out there to the community once it's done.

I suppose what we're saying is if we can get out there, get it under way, as the community is looking for you'll see some substantive improvements but all the work that has been done in identifying these other candidate projects won't be lost. They're be

there for consideration as a candidate project and a forward program competing against other projects in the State. So they won't be lost, they'll be in there and we'll call upon them as need be.

**Mr DUGGAN** - Mr Chairman, I'm sorry to -

**CHAIR** - Just before you do, Alan.

We can't get into a situation here of members of your committee cross-examining the departmental officers. That is our responsibility and I was going to give you a time later to provide further evidence because of the short period of time you had yesterday.

I think what we should do to keep this moving at the moment is to pursue the questions that Mr Best has to the department and then we can come to your evidence, Alan, which may raise questions in our mind which we can raise further with you or with the department.

**Mr DUGGAN** - Mr Chairman, the only thing I was going to suggest is that the Huon Highway we could finish it by just two comments from ourselves if that was any advantage to the committee but I'll abide by the Chair.

**CHAIR** - We're flexible but I just wanted to intervene and indicate that we certainly can't get to other people cross-examining the witnesses.

**Mr DUGGAN** - I understand that.

Mr Chairman, there is one comment that we need to make to finish the Huon Road junction and that is that we raised with the department the fact that the real danger is coming off Glen Huon Road onto the Huon Highway because trucks have to cross the centre of the road on the existing layout of the island system to get onto the road and that is not on.

Once a vehicle crosses the centre of the road he is liable no matter what happens. It doesn't matter if you've got 20 policemen up there, it doesn't matter; you're taking up more than half the road and that's the danger.

We went through and we provided a diagram that would eliminate that island so that the island is much bigger and that eliminates the problem.

The urgency of doing that Huon Road junction is there and we don't have a problem with the slip road; we felt it was better to leave it as it was but the real urgency is to avoid the island's present design so that it's bigger and wider and trucks can get onto that highway without going across the centre of the road.

**Mrs NAPIER** - Which island are we talking about?

**Mr DUGGAN** - To come out of Glen Huon, there's the difficulty; the island interferes with it. On the new design that island disappears and that's the critical thing because vehicles are going to that side of the road to get onto the highway. There's only a broken line so that's extremely dangerous.

The slip road solves the problem. This design is good but it needs to be done as soon as practical.

There are two exists, you see - one if you are turning to go to Geeveston and one if you're going to Hobart. What the new design has is one exit.

**Mr Yost explains the design.**

**Mr BEST** - You're going to camber it a bit better too, aren't you?

**Mr YOST** - There won't be a lot of pavement reshaping. The camber issue came up with this left turn and providing this little bit of a slip lane will address that camber issue. But generally speaking there won't be a lot of reshaping of the pavement.

**Mr BEST** - I just want to finish off on that subject.

So from what I gather obviously the project is very tight, as we've heard, if though there's some ability within those sections that you're going to remove and you're not sure what's in the subsoil or the sub-base then that may affect what may occur as far as Menzies rollercoaster or what's been the candidate - I understood that was the next step, the higher candidate chart. Menzies, is that right?

**Mr CANTILLON** - No, I think the first priority that was identified was Pitts Hill.

**Mr BEST** - Okay.

**Mr CANTILLON** - Menzies isn't part of the project scope at the moment, although it's identified as a candidate project.

**Mrs NAPIER** - You're saying that you need an additional \$700 000 in order to do the Pitts Hill deviation -

**Mr CANTILLON** - As a minimum yes.

**Mrs NAPIER** - Yes, as a minimum, I've said that.

If perchance you can't free up the \$700 000 that you're going to need to be able to do that, I would have thought it might be closer to \$100 000 or \$150 000 that you might free up. It's been identified both for the Golf Road area and the Menzies rollercoaster area that the sight lines and dips are a problem. One wouldn't think that they were going to cost as much as Pitts Hill deviations. Are they candidates for that money that would be freed up?

**Mr CANTILLON** - They could be. In fact the correspondence that we've previously provided to the groups through the secretary of DIER has indicated that there's that flexibility. If there were savings that were realised of a lesser magnitude we could do that.

**Mr PEARCE** - On the list the Menzies rollercoaster sits at priority number six. If you take the highway as the Huon Highway, all this corner, Horseshoe Bend, there's still four of the six then it's right there in the next lot of priorities.

**Mr BEST** - The only other question I had - I don't know whether this is a stupid question or not - we've heard whose responsibility the road is. Is there any way that may be with the council that - obviously no one is here from the council but is there some way perhaps they might be able to help stretch some of the project out?

**Mr CANTILLON** - When we realised the extra \$2 million, the consultation that was carried out involved the council and those negotiations and the prioritisation of the works were done with them. At the time I suppose it wasn't put on the table that we could contribute an extra \$200 000. That's something that we could approach them for but I suspect just on all the previous work that was done that the answer would be no.

**Mr BEST** - I was just wondering they might have equipment or something that they could assist; it might help get the dollar stretched a bit further. You might be able to follow something along those lines as well.

**Mr CANTILLON** - If I can put it in these terms. There is a budget for the project and it's the intent to spend all of that budget on the project.

**Mr BEST** - Of course. It's a matter of how far you can stretch it, isn't it?

**Mr CANTILLON** - Yes, it's how far it stretches. We'll be going back, as we've undertaken to the groups previously, with continued collaboration on the project, its outcomes, how it's progress is going and what value we can continue to drive into the project.

**Mrs NAPIER** - The issue was raised as to whether the projects of the school, the junction, Horseshoe Bend and Alburys corner could be brought forward and started earlier but I think we noted yesterday that it's not until the year 2004-05 that \$3 million becomes available and it's a lesser amount in this financial year. Is it possible to have those three or four projects occurring in March?

**Mr CANTILLON** - It's our endeavour to - I am not sure what Bob is referring to there.

**Mr SYKES** - I'm looking at the development application process which is the next step because we do have to go back and get a planning permit for Alburys Road, the school car park and the Horseshoe Bend relocation and that pushes us out to mid January-early February before we're getting a planning permit.

**Mr CANTILLON** - Presuming that it's not contended, which we don't expect it would be, we would have that development application by then and we could also be undertaking - the intention is, all endeavours will be to carry out on two fronts and the message that has been given to us today is, as a first priority, to look at the junction as part of that additional package and that would be our endeavours.

**Mrs NAPIER** - With the school it seems to make a lot of sense to get that done before school starts.



**Mr CANTILLON** - Sure.

**Mrs NAPIER** - Which is before March.

**Mr SYKES** - Yes, that's right. They could make a point with that that they would prefer it through the summer holidays.

**Mrs NAPIER** - So it might be possible to let the school one earlier and at least get that one done.

I accept in good faith what you're saying, that although we'd all like to see another \$2.7 million and not just the \$2 million, it's good that we have got the additional \$2 million, that's very good, and I accept in good faith too the commitment that all of that money will be spent on this road and it won't be redirected to any other project. I accept that commitment and I take it that would be on behalf of the minister as well and that every effort will be made to make best use of the money such that if moneys can be freed, the other projects that have been identified by the community as having been important - and I might perhaps ask the gentlemen. The list of unfunded projects would seem to accord with community views about what the priorities are. So it goes Bermuda Road junction, Clancy Woolley transport entrance, Glen Huon Hall entrance, Golf Road entrance which is one of the dip issues that we were talking about, Judbury Road junction, Menzies rollercoaster, parking at the mill entrance, mushroom farm entrance, closing Park Lane, the pavement improvements from Canes Road to Judbury, Pitts Hill deviation, Quarry Road deviation and squaring up of Watsons Road. So that's about right in terms of what the community wants as priorities?

**Mr YOST** - Not in this priority, no. These are in alphabetical order.

**Mrs NAPIER** - That's what I want to know, what's the priority?

**Mr YOST** - The priority is -

**Mrs NAPIER** - Have we got a listing of priorities?

**Mr PEARCE** - If it pleases I could read out the priorities if you'd like?

**Mrs NAPIER** - Yes, thank you. You should've stopped me earlier.

**Mr BEST** - You've changed the whole job around.

**Mr CANTILLON** - Obviously the priorities are subject to funding and what could be obtained but Pitts Hill deviation.

**Mr PEARCE** - These priorities were based on the community's view to telling the department what they perceive as being important. It doesn't necessarily reflect the department's considerations at this time. The department hasn't prioritised these. This reflects the outcome of this community workshop that we had.

**Mrs NAPIER** - That's what I'd like to know.

**Mr YOST** - The highest priority was Pitts Hill deviation.

**Mrs NAPIER** - This is about \$700 000?

**Mr YOST** - Yes. Number two was upgrade of the Judbury Road junction.

**Mrs NAPIER** - Do we have a rough figure on that?

**Mr YOST** - I don't have that to hand. I don't think we do have that to hand because it was a project that was identified during this workshop.

**Mrs NAPIER** - Low cost price relatively?

**Mr CANTILLON** - \$50 000 to \$100 000 or more, depending on scope.

**Mrs NAPIER** - I accept that they're guesstimates.

**Mr PEARCE** - The third priority was Canes Road junction.

**Mrs NAPIER** - Roughly?

**Mr CANTILLON** - Say \$70 000 to \$100 000.

**Mr PEARCE** - Fourth was upgrading the pavement from Canes Road to Judbury.

**Mr CANTILLON** - It could be up as high as \$1.5 million.

**Mr PEARCE** - Equal five was the Golf Road entrance and the parking at the mill.

**Mr CANTILLON** - About \$100 000 to \$140 000.

**Mrs NAPIER** - Both of those projects?

**Mr PEARCE** - Those projects are combined.

**Mr SYKES** - That was the rollercoaster.

**Mrs NAPIER** - You said \$100 000?

**Mr CANTILLON** - For Golf Road and the mill about \$50 000. Parking at the mill entrance.

**Mr PEARCE** - Also equal five was the squaring up of Watsons Road and closing of Park Lane Road.

**Mr CANTILLON** - That's in the order of \$150 000 to \$180 000.

**Mr PEARCE** - Number six was the Quarry Road deviation.

**Mr CANTILLON** - In the order of \$200 000.

**Mr PEARCE** - Number seven was realignment of the corner east of Alburys Road.

**Mrs NAPIER** - Haven't got a price?

**Mr CANTILLON** - No.

**Mr PEARCE** - Number was the Clancy Woolley transport entrance.

**Mr CANTILLON** - It's in the order of \$80 000 to \$120 000.

**Mr PEARCE** - Then equal nine were five projects. Bermuda Road junction -

**Mr CANTILLON** - Which is \$110 000 to \$140 000.

**Mr PEARCE** - The Glen Huon Hall entrance.

**Mr CANTILLON** - In the order of \$200 000 to \$220 000.

**Mr PEARCE** - Menzies rollercoaster.

**Mr CANTILLON** - Up to \$0.5 million.

**Mr PEARCE** - Mushroom farm entrance.

**Mr CANTILLON** - In the order of \$300 000 to \$320 000.

**Mrs NAPIER** - So they are the community listings of priority.

**Mr CANTILLON** - And that is costed based on the scope that has been reported to us as what is required.

**Mr DUGGAN** - Mr Chairman, the only one that I have missed would be east of Alburys Road costing.

**Mr PEARCE** - I don't think we actually had a costing on that one, Alan, because that was a project that came out during the workshop and we hadn't really done any preparation work for it and following on from the workshop, as it wasn't part of the current project we haven't allocated any time to refining that at this stage.

**CHAIR** - Okay. In the interests of being quite efficient here, can I suggest we move off these areas of desire, because they are not part of what we are considering, they are just pipe dreams for the future. Let us keep moving on with the current proposal and the funding which has been allocated for where we are at.

**Mrs NAPIER** - Mr Chairman, I just thought we ought to have that there to put on the record the weight we give to the fact that any efficiencies achieved in other projects will be directed on to those projects. Probably it is a combination, isn't it, between whether the amount of money left will enable you to pursue that particular project and if you don't have the \$700 000 then presumably you would go to the less expensive ones.

**Mr BEST** - It depends on DIER because DIER haven't raised these.

**Mr PEARCE** - Can I also suggest that there is a factor of the value of the return you get out of your investment in those jobs. It is not just a case of how much they will cost but it is what return you will get out of spending your money and that is what DIER haven't considered at this stage.

**CHAIR** - Can somebody advise me as to what I am missing in this whole set-up? Initially we had a project presented to us for \$3 million of Consolidated Fund expenditure. Subsequent to a number of hearings, the Deputy Premier advised an extra \$2 million which would have taken it to \$5 million. We now have a project in front of us for \$6.2 million of Consolidated Fund expenditure. From the day we started with \$3 million, the Deputy Premier has found an extra \$2 million and somebody else has found an extra \$1.2 million. Added to that will be the contractor's contribution. Originally this committee was advised that that would be around \$3.8 million so we are talking about a project here of \$10 million, are we not? In essence, in broad terms, we are talking about \$6.2 million from the Consolidated Fund as opposed to the original \$3 million.

When we left here in April, my feeling was that for the extra \$2 million that the Deputy Premier had identified there would be a heck of a lot of extra works done but not only have we found an extra \$2 million, we have found an extra \$3.2 million from where we kicked off. I am having a difficulty understanding exactly where we are at here. What are we going to get from the maintenance contractor? We have \$6.2 million in front of us to consider and yet from where we started with \$3 million, I struggle to understand that there is not quite substantially more work being attached to this project for the extra \$3.2 million. We were told that the sealing of the shoulder, the 500 millimetre shoulder seal, would be picked up within the original \$3 million, so there is something we didn't have to worry about and we are going to get two 3 metre lanes, two 500 millimetre sealed shoulders within the first \$3 million. So another \$3.2 million thrown at this project is essentially only going to address the bridge, Alburys Road, Horeshoe Bend and the school car park, and I have been through the documentation in terms of the costings with all of those. You suggested yesterday that some of the figures related to the wish list, if you like, are fairly rubbery and yet from some documentation which might have provided rubbery figures on your own documentation sent to Mr Duggan back in April this year, it seems a bit of a coincidence that Alburys Road, the rubbery figure there was \$450 000 but the firm figure now is \$450 000. Horeshoe Bend, the rubbery figure was \$800 000; the firm figure is \$800 000. The Huon Highway junction, rubbery \$100 000, firm \$100 000. Parking at Glen Huon Primary School, rubbery \$100 000; firm \$100 000. So can somebody really put it in a nutshell for me as to what we are really looking at with the \$6.2 million?

**Mr CANTILLON** - If I could probably just explain the evolution of it as well, it may assist. We had originally a \$3.2 million project. Along the way there was an additional \$2 million that was announced by the Deputy Premier. That \$2 million was fundamentally for the additional safety projects. Representations had been made by the community at that time. That deployment of that expenditure is indicated under section 8.2 of the report. So that countenances Albury Road, Horseshoe Bend, the junction, et cetera. We also realised that through further project development, particularly on realisation of the technical conditions there, that the paving condition is a lot worse than

was first anticipated. So when we had the bore log results, et cetera, we were able to establish that to achieve the original objective of the widening and strengthening of the road was clearly going to cost in excess of the original \$3.2 million that was allocated, if we were to try to achieve that same scope. On that realisation there was an additional \$1 million that was available essentially to contribute to that task, to ensure that we achieved that task. The long-term maintenance contract obligations are of a maintenance nature. The report contemplates a project that is really about widening and strengthening the road which is over and above what his fundamental task is.

I suppose along the way in terms of the definition of the project cost for Alburys Road and Horseshoe Bend, some of these sites, there had been a lot of discussion with them. We did start talking with groups like Fix the Glen Huon Main Road quite some time back or it might have been a case when someone is talking to the local community. People talk about Alburys Road and Horseshoe Bend and so we started to gather intelligence on those projects from an early point and given that surveyors might have been out there, our ideas and our concepts and our thoughts on the treatments that were required probably developed a lot sooner and so our costings developed a lot sooner. But if we are talking about projects like Menzies rollercoaster and things of that nature, we have not considered the actual scope requirement for those projects. What has happened is we have gone through almost like a value management study exercise with the various groups to work out what are their priorities and what they see is important for those projects and we have documented that, we have prioritised that. We obviously have to overlay on that the department's requirements in terms of what we need to meet in terms of necessary safety treatments et cetera and things of that nature. And they may have a cost impact, they may reduce it, they may increase it. So the costings that we read out before are obviously on that basis, more an indication and remain an indication because we have not done any works. We have not done any survey for those areas beyond the fundamental widening and strengthening. The deviation, for example, Pitts Hill deviation, by its name, goes off the road, and we have not done any survey there to work out what is required, any bore log requirements. But some of the other ones we had a little more intelligence a little bit earlier that enabled us the zero in on what the costs would be.

**CHAIR** - It would not be a reasonable interpretation to suggest that Emolium's responsibility would go to issues of strengthening the current pavement? Surely you do not just maintain a road by patching a heap of junk. If there is a requirement to strengthen a particular component then you can see the extension of that argument then is, as you have indicated to the committee, that strengthening and widening are functions not the responsibility of the maintenance contractor. So therefore you have had to find the money from the Consolidated Fund process to fund that.

**Mr CANTILLON** - By virtue of the name the maintenance function, the contractor's obligations will be maintaining it, maintaining certain ride in roughness outcomes for the road. Those outcomes will contribute in cost to achieving - in other words, they will mitigate potentially some of the ultimate costs for the project but our best estimates are that that will be an indication of what the Government's costs will be towards the project.

In terms of the pricing negotiations, the next phase that we undertake after going through the parliamentary standing committee on receipt of its approval would be to undertake those price negotiations to see what value we can drive into the process. Our

negotiations will be to do that collaboratively, constructively, transparently in a commercial-in-confidence environment with them but to ensure that we can derive as much value from their contribution towards the project.

**CHAIR** - What then do you see as the maintenance contractor's role in the project for Canes Road from the Huonville Bridge right now in this project?

**Mr CANTILLON** - That scope is for the widening. The work he will undertake as part of the project is for the widening and also for the strengthening work.

**CHAIR** - But I thought I heard you earlier suggest to the committee that strengthening and widening are functions not of his responsibility.

**Mr CANTILLON** - No, the \$6.2 million will contribute towards - essentially he will be providing a certain scope within it. Now because we are exceeding that scope to achieve a widening and a strengthening, obviously the Government will be contributing towards that and that will be in our price negotiations. Our aim will be to, I suppose, increase his scope and cost contribution towards the project as much as we can and to achieve best value for the project.

**CHAIR** - So back to an earlier comment from me that when we set out on this project in January this year, part of your submission was that the maintenance contractor would contribute around \$3.8 million. That is not going to be the case. That is really what we are hearing, aren't we?

**Mr CANTILLON** - We haven't entered the price negotiations yet. What we need to do is to enter those price negotiations on receiving this approval. He will be provided with documentation, firm documentation and specifications and schedules designed to review and to price and then we will know at that point what the cost apportionment would be. At the moment he hasn't priced anything and we would enter into these price negotiations following the approval of the committee.

**CHAIR** - So there's a whole heap of realignment, there's kerbs and channels being built, there's acquisition of land in some places and if you take away the \$2 million which is sitting there, there is \$4.2 million of work being undertaken as part of all of that process. I just still struggle to understand why we are not looking at a \$10 million project here and if we were, everything that I reckon concerns the community could be attended to.

**Mr CANTILLON** - At the end of the day we'll rely on how much value we can drive into the project through these negotiations. Our objective is to drive as much of his scope, to extend as much of his scope to the project and if that realises savings in the project we would then apply those savings to undertaking as many works as we could from the candidate projects list.

**CHAIR** - Phil, you have mentioned accountability and transparency and all that that embraces, I would be less than transparent and open if I didn't suggest to you that I am somewhat sceptical and cynical about the whole process which we are embarking upon when I cast my mind back to January this year when this committee - and I think it does bear saying - it is important for this committee to communicate to your department that the committee was presented with a very, very deficient proposal, and that needs to be

said and the committee expressed then its concern about where the project was heading. It had not even taken account of the impact of Southwood traffic. We understand that this probably takes account of Southwood traffic, but again I say clearly, in an open and transparent way, that I am very sceptical about where we are heading here. I suspect we will see the expenditure of \$6.2 million and that will be it. And nothing of what you have said so far pacifies my mind in relation to that at all. If I was a punter, I would be suggesting to you and probably seeking a response from you to satisfy my mind that more than \$6.2 million will be spent on this project. I suspect it will not be.

**Mr CANTILLON** - It is the intent of the negotiations with the contractor to drive as much contribution from him, recognising the fundamental scope that he is required to deliver in terms of maintaining Glen Huon Main Road as part of his broader obligations for the entire southern contract. So a key emphasis for those negotiations will be to drive that value and in driving that value, recognise project savings, as I said, that can be allocated to any further projects where possible. There has been a lot of thought that has gone into the current referral and it is our best intentions that we can deliver everything that is communicated in that.

**CHAIR** - Okay, I will not labour the point. I think it was a point that was important to communicate to you and I think that is the feel of the community as well.

Could I just come back to the bridge intersection? The design concept suggests a proposed barrier kerb and Derek had indicated this line as being the kerb. This is the existing kerb line, is it not?

**Mr PEARCE** - That's right.

**CHAIR** - Okay. The way I read that was probably that stays and that just becomes a slightly built up area with a soft roll-over kerb component there, so negotiation for vehicles would be much easier and in fact the vehicle wheels would be able to mount the raised area as a soft roll-over kerb area. Is that the case?

**Mr PEARCE** - We have not got down to the real specifications of exactly how we will treat that. But that is a possibility; we would have a mountable kerb around there and have something standing behind the kerb.

**Mr CANTILLON** - Can I suggest, Mr Chairman, a small paved area.

**CHAIR** - I want to be really clear about what is being proposed for this so-called slip area. At the moment the concept shows the island doing that and hard up against this area here. So that is all a solid island area. Have I read you correctly in saying that it will be something like that?

**Mr PEARCE** - Something like that.

**CHAIR** - That will be the hard area, so you have a greater access and egress point there?

**Mr PEARCE** - The critical thing is to get some more width in there so that we can overcome this crossfall situation that was raised and we can be turning traffic out of the through lane.

**CHAIR** - Okay, that is fine. Then what about the service road through here which services these properties?

**Mr PEARCE** - The access point will be just where you have indicated.

**CHAIR** - Where it currently is?

**Mr PEARCE** - Where it currently is, but one of the benefits of closing that little slip road is that we can make that access point far more visible and it saves the confusion about those who are turning right out of the highway and the indecision about where it is. You just cannot see it at the moment; it is not obvious.

**CHAIR** - The school car park, you have indicated \$100 000. That includes acquisition of property? I did allude to it yesterday. With \$100 000 for the school car park and \$100 000 for this bridge intersection, I would have thought there was very little work to be done at the bridge intersection, but as a layman; I do not profess to be an expert. But it seems to me that to knock out a traffic island, ramp up another one to a bit of an extent and maybe do a bit of playing around with road pavements, it seems that to build a brand new car park at Glen Huon - and I am familiar with the topography and there will need to be a fair bit of earthworks. There will need to be acquisition and then there is going to be a brand new seal of an area at least as big as this whole area at the bridge intersection. I struggle to understand how they can both come in at \$100 000. Can somebody satisfy me?

**Mr PEARCE** - The acquisition of the property at the school, for example, is something of the order of \$2 000 to \$3 000. The actual property is not a lot.

**CHAIR** - That's right.

**Mr PEARCE** - We're not doing an incredibly deep pavement treatment there because the traffic numbers using the car park just don't warrant putting in a deep pavement, whereas at the junction here at the Huon Highway, where we have got to do a bit of extending and underneath all those traffic islands, there is no pavement there so we have to put in some decent-depth pavement. While the surface area might look the same, we have double the depth and it is that paving material that is the expensive part.

**Mr CANTILLON** - It's also the nature of the work as well. They've got one contractor that is moving to one side to do one small project that arguably is a little bit fiddly more than anything and then moving up the road to another location to do another small project in a tight environment and the costings would reflect the fact that it's not open slather as to what the long-term maintenance contractor would enjoy, doing kilometres of shoulder widening and pavement strengthening.

**Mr SYKES** - There is also a considerable difference to the safety requirements. They've got to actually have traffic controllers so there's extra labour involved in doing the junction work than there is in the school car park.

**Mr CANTILLON** - And particularly at the junction itself.



**CHAIR** - Is it fair to say that everybody seems to have accepted in the past that the mill property rollercoaster provides safety challenges because of the vertical alignment?

**Mr CANTILLON** - This is one of the candidate projects - do you want to explain this one?

**Mr SYKES** - Yes. There's a dip in the road and there is a safety concern there.

**CHAIR** - Because we do have heavy vehicles going into and coming out of the mill and school buses and the like, can I put it to you that I would have a concern that with the relocation of Alburys Road further or closer towards that so-called rollercoaster, you are exacerbating that safety problem because of the traffic which will be exiting Alburys Road and either heading east or west?

**Mr PEARCE** - The site distance to the west from Alburys Road is easily sufficient to enable vehicles to safely stop should there be a hazard on the road. The existing site distance at Alburys Road is something like about 60 metres towards the east and we are actually improving it up to about 160 metres and that's also achieved to the west and that is amply sufficient.

**CHAIR** - So you're not concerned that the safety issue related to the mill rollercoaster is being exacerbated by the relocation of Alburys Road?

**Mr PEARCE** - No, I don't believe that's the case.

**CHAIR** - Can I ask what the design documentation costs of this project so far have been and if you haven't got them with you, can the committee be provided with them both for the first submission and for this current submission so a breakdown of the two which would then obviously give us an aggregate?

**Mr CANTILLON** - Yes. The costs that we have reported through would give an indication that the costs were about \$327 000 in 2002-03 but we can extend that up to the timing of this hearing.

**CHAIR** - Yes, please.

**Mr CANTILLON** - Yes, okay.

**CHAIR** - The only other contribution I wish to make at this stage or to ask a question. The Deputy Premier is on the public record as saying, 'The highway will not be a B-double route'. The design which is going to be delivered here will in fact make the road eminently suitable, in my judgment and on advice previously given to the committee, for passage of B-doubles. Is there a position currently in the department regarding the suitability of this highway for B-doubles, when reconstructed, under this proposal?

**Mr CANTILLON** - The driving influence for the scope was, I suppose, the discussions on what was necessary for traffic requirements in collaboration with the various community groups. There has been no position change within the department that would alter any of the previous Deputy Premier's announcements.

**Mr DUGGAN** - Mr Chairman, I don't want to enter into a debate but it has been draw to the attention of myself and others that in the executive summary, and in the first instance, there was no account at all of any product coming in and out of Southwood. We haven't got any instructions from Forestry or anyone else that the road is going to be used for any timber products. Plus the fact, in the executive summary it mentions a low-level tourist vehicle. Southwood is clearly tourist friendly. It will be a circuitous route from the Tahune AirWalk, through Glen Huon and back to Huonville. There isn't any doubt about that, yet there are still suggestions - on page 4 of the executive summary - saying it has no influence. This has been the difficulty right from the start. I am not trying to debate the issue, I am just raising that, Mr Chairman, that that was clearly put to us in the first place.

What we have today is the fact that trucks with four-wheel dog trailers, which are grossly unsafe, are using that existing road which is barely 5 metres road, and yet we are going to have a road 7 metres wide and somebody tells me you can't put a B-double down it, which is twice as safe as any towed dog trailer. Superdogs are not suitable on any uneven pavement; they deflect all over the road. That comes from experience of a very long time in transport.

**CHAIR** - Thank you, Mr Duggan. In the interests of fairness, as we said earlier, you were somewhat truncated yesterday because of the time constraints. Would you like to make a further submission to the committee?

**Mr DUGGAN** - There are one or two things that need to be said. At the end of the day we have a project that is underfunded. It was no surprise to us to find that when the department did do their investigative work they found that the road was in poorer condition than they thought. I can assure you, we did not think that right from the start. We believed that the road was well and truly worn out; it has well and truly served Glen Huon more than enough. It is to the State of Tasmania's discredit that the road has deteriorated to the extent it has for this length of time. So we start off from a very poor base. The input of the minister in suggesting we alleviate that problem by taking the road pavement from 5 metres to 6 metres wasn't satisfactory, ever, no matter what we were going to do. People can argue about category 5 or category 4 roads, but that is the state of the situation. At the end of the day, we feel that it has been underfunded, even now. It is just like wearing a tight pair of boots; we are going to have them for the rest of our lives. Even though we leave aside the candidate projects that may be done - and I know we went through a process of prioritising what we see as being done - the two areas of vertical alignment we see as extremely dangerous, the situation of the new location of Alburys Road means that you can see a distance to the Golf Club Road really, but it is the dip the other side that is a problem. That is the difficulty. We are making a situation where we are fixing one problem and leaving a potential for a dangerous situation without dealing with the dip immediately past the Glen Huon Road going west.

Exactly the same thing - we had a figure of \$800 000 to rebuild Horseshoe Bend. That may be reasonable or otherwise. It is to remove a shed, acquire some land and rebuild a very dangerous section of road. A distance of about 300 metres had to be reconstructed and that is \$800 000, yet immediately we go to look at one section of vertical alignments, we are talking about a figure of \$380 000. Those figures are just not practical; there is no way in the world that you couldn't fix some of those vertical alignments for less money.

Mr Chairman, in short, there is no-one more pleased than us to see that we are getting on with what we need to do and to fix the road but we are extremely concerned about some areas where we still believe the vertical alignment has not been attended to and it is providing a much more dangerous situation. We are building a better road that traffic can travel faster on and we are leaving the dangerous situation of vertical alignment. We can put all the double lines we like on a section of road but there is nothing like having a line of sight that at least gives some control over what people do.

We also have one other problem that we might as well mention, Mr Chairman. We have tried unsuccessfully to have the department look seriously at leaving Alburys Road where it is and attending to a slight relocating or deviation of the road east of there. There are no figures put on it. We previously had a man tell us that it was going to cost an extraordinary amount of money because he needed to relocate a house and a shed. When that was eliminated, we were assured that this was the best budgeted price, by relocating the road rather than dealing with the deviation, by relocating the road just east of there. We find it still quite extraordinary that we will not tackle something that would leave us a sight distance, in our estimation, of 180 metres when it is only about 60 metres at the moment by dealing with it. That is extraordinary.

We do not wish to raise matters that should have been dealt with before and we are not trying to open up the debate again, Mr Chairman, but it would be less honest of us if we did not nominate the areas still of grave concern. I have some sympathy with the department because the more they looked, the more they found that the road was in need of reconstruction. The argument used before where the pavement was going to stay where it is and really strengthen the outside edges - and that becomes part of the contractor's responsibility - sounds fair and reasonable, when we find that that is not the case now because of the road as it is. I think, Mrs Napier, you made the point yesterday: it is all but there but it is not quite there. I know from our point of view we would much rather have seen whatever is going to be done, starting at Huonville towards Glen Huon, done in a better manner and done over a longer period of time and, at the end of day, achieve, in two or three years, to get a road at Judbury. We are trying to stretch the funds and we are leaving some difficult areas that still become dangerous areas in our book.

**CHAIR** - Has any relocation of Aurora lines/poles yet been undertaken?

**Mr CANTILLON** - No, there hasn't been. The intent is that on receipt of parliamentary approval we will undertake those works relating to section 1, which is where we have development approval to do so.

**CHAIR** - Is the only reason for that that you are awaiting the approval of this committee?

**Mr CANTILLON** - Yes, that is correct.

**CHAIR** - I was contacted many months ago to see whether there was any conflict with the operations of this committee as to whether approval could be given to relocate power lines now. I sought advice and my advice clearly to the department was that we don't have a problem because we don't have any jurisdiction. If the Hydro want to move lines, they move lines.

**Mr PEARCE** - You're quite right. There was an issue about whether we had access to the property. We got some acquisition that we needed to acquire and the poles need to be relocated into the property that we are acquiring. It was the case that, until reasonably recently, we did not have access to the property that we were acquiring in the first 4 kilometres. It was a case that the property acquisition was holding up the Aurora relocations. At this point, we can commence Aurora relocations.

**Mr CANTILLON** - And if it so pleases the committee, as soon as we leave today we would arrange for those to occur tomorrow.

**CHAIR** - Thank you very much for coming back again, gentlemen.

**THE WITNESSES WITHDREW.**