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THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS MET AT THE DELORAINE COMMUNITY COMPLEX MEETING ROOM, DELORAINE, ON THURSDAY, 21 MAY 2015.

BASS HIGHWAY WEST OF WESTBURY, DUPLICATION BETWEEN BIRRALEE ROAD OVERPASS AND EXTON

Mr SVEN MEYER, PROJECT MANAGER, AND **Mr RICHARD BURK**, MANAGER, TRAFFIC NORTH, TRANSPORT INFRASTRUCTURE SERVICES, DEPARTMENT OF STATE GROWTH, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Brooks) - Thank you for appearing before the committee. This committee hearing receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not afforded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. This is a public hearing and members of the public and journalists may be present and your evidence may be reported.

Mr MEYER - Essentially this program is a conversion of a single carriageway to a dual carriageway. At the moment there is dual carriageway on the eastbound and on the westbound and there is a section in the middle of 3.2 kilometres where we are going to retain the existing carriageway to become the westbound carriageway and construct a new eastbound carriageway on the northern side.

It will have an installation of median safety barriers down the middle. Currently this section of the road has a two star rating under the Austroads methodology and it has had eight casualty crashes in the last 10 years, including one fatality and three serious accidents. Quite a few of those crashes have been either head on or close to head on.

The objective of the project is to eliminate the head on crashes and to reduce the severity of the road crashes, and provide a consistent road environment travelling north and south, or east to west. That's the objective of the project.

Mr BURK - There are a number of places along the Bass Highway where we could have done further works but this was chosen because it avoids confusion for the general community. Instead of going two carriageway, one carriageway, two carriageway, as Sven has explained, it is providing a consistent experience for drivers through this whole stretch at relatively low cost. It is a short section and a relatively easy retrofit. The fatal crash that occurred was the type of crash this treatment will completely overcome, so we think it is the best next project to do.

PUBLIC

Mr FARRELL - I am curious about the initial design of the road, why it was done dual back to single, dual back to single, rather than being dual, dual and then back to single? It seemed to have the isolated sections at intermittent spots.

Mr BURK - It is one of the problems we have with highway design and traffic engineering. We only have so many dollars and we have to deploy those as best we can. Sometimes we have to make decisions that aren't optimal and we have to work with the funds we have. In the past it has been resolved that it was a reasonable thing to drop it back to one carriageway. It is quite a long stretch of highway between Deloraine and Launceston and, as is the case anywhere in the state now, trying to deploy the funds as efficiently as possible.

Mr FARRELL - I imagine this would be a bit different because it is at a place where the old road rejoins the highway, so that may have been a reason for keeping that particular section as a single carriageway. What are the plans for the information booth? Where we met today there is a little pull-over area. Does that become part of the new road or does it stay as it is now?

Mr MEYER - Essentially, that pull-off area and information booth is towards the very end of the project, where we go back into the two lanes. I have a diagram here which explains the intentions of what we are going to do. It was designed as a tourist information booth. It has been there for about 10 years and over that time it hasn't been utilised as an information booth and has created confusion with road users because it is a pull-off bay prior to the pull-off to Westbury. People see the turnoff to Westbury and they accidentally turn off to the information bay and then turn back onto the carriageway. We will be turning it into a truck pulling-off bay but there will be a solid white line down the middle, so the confusion will disappear for the average road user. Council is on board with that. We have had discussions with them and that is the resolution.

Mr BURK - It should avoid any confusion that it's an off-ramp because you will have that continuous edge line on the left-hand side.

Ms OGILVIE - We spoke on site and I want to get on the record what will happen with the median strip and the barrier at the moment. I noticed there was a channel in the centre, which seemed a little old-fashioned from a road safety design perspective. Do you think you could pick up on that conversation you had about that?

Mr BURK - Yes, that method of highway design was standard practice in accordance with Austroads guidelines at the time. Because it is such a short section we would continue having a wide median through there, whereas elsewhere on the national highway we are putting in narrow wire-rope safety barrier medians. But this whole section of the Bass Highway was designed for two wide median separated carriageways, so we will be continuing that theme through with the wire-rope safety barrier.

Ms OGILVIE - You will be adding that new technology, in a sense, to the road safety element?

Mr MEYER - It won't be as pronounced as it is now. Running down the new median strip there are bits, then the culverts underneath to drain the water away.

PUBLIC

Ms OGILVIE - Okay. Culverts, you said. They will come out and across into the side of the road?

Mr MEYER - That's right, for drainage.

Ms OGILVIE - They won't have any impact on the farmer's land, the ingress issues on that?

Mr MEYER - No, it runs down to a large drainage area on the side of the road, then it goes -

Ms OGILVIE - That is where we walked, along there.

Mr MEYER - Yes, then it goes into a river. Some spreads out on the farmer's land, the small drainage ones, and the large ones go into a river course.

Ms OGILVIE - That would be naturally absorbed, the smaller amounts that go onto farmer's land.

Mr MEYER - Yes.

Mr FARRELL - In relation to the surface seal, there has been a bit of talk lately about the resealing on the Midland Highway and that it has been done with lower-grade loose rocks.

CHAIR - Perception, I suppose.

Mr FARRELL - This has been reported in the media. I don't know if there is another surface to be put on, but people are saying their windows and bits and pieces of their cars have been damaged. What seal is intended for this piece of rebuild? If you can allay people's concerns about the midlands at the same time that would be good. We have to travel back that way.

Mr BURK - Okay. There has been a variety of experience with the seal on the Midland Highway over this last construction season. I understand that there has been an issue with the bitumen that was put down on one of the sites, I think north of Spring Hill. I understand that the application rate for the bitumen wasn't quite right so when the stone went on it began coming away a bit and plucking, so we have these pieces of aggregate coming away and that is not a good prospect going into the winter, with wet weather and skid resistance issues. But that has been looked at.

With this site, I imagine it would get a prime and seal. The surface would be primed, then later bitumen and fresh aggregate would be put on. We expect the contractor to follow the specs and produce a quality product. From time to time you have construction issues with sites and it depends on the time of year that you are doing the sealing. Those seals on the Midland Highway, only fairly recently, were stretching the envelope a little on when we would normally do them.

There is a bit of variety and extremes in the midlands, and it is the time of year and construction issues.

Mr FARRELL - Yes, the stones are certainly flying off at a rate. I have witnessed that first hand.

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CHAIR - There was also media comment today about the change in application. According to the ABC, this person seemed to know what he was talking about. They spoke about going to a lot coarser and larger base rather than the finer one and he felt that would add to the ongoing maintenance cost into the longer term and shorten the life span of that particular part of the road.

I know we are not here to look at that project or any of that but what this committee would be interested in is whether the same sort of material will be used, as is already on the dual lane carriage way, to be the part of the highway that we are joining together. Then also what the life span of that road would be and whether you envisage that being shorter if it were to be done more cheaply?

Mr BURK - I imagine with this job we would put down a prime and seal and that would be a 14 millimetre aggregate, the largest aggregate size, and that would not have any other overlay put on it. That would be the first part sealed. We would expect that to last in excess of 10 years and then we could come back when we do a reseal and put another layer on that. I think that would be the treatment we would use here.

Mr MEYER - Just to confirm that that is the case. What is different between this project and a business site project is that we are constructing a whole new dual carriageway off line, off the traffic, which means the contractor does not have to spend too much time with traffic management issues. We are also trying to get this tender out early to give the contractor lots of time to do this 3.2 kilometres dual carriageway and to have the primary seal done while the weather is still damp. The only implication for users of the road is what they call the tie-ins. When they tie these two sections at either end.

CHAIR - That won't impact on traffic flow on road works?

Mr MEYER - Yes, but only for a short period. Essentially, they will build one new carriageway, divert traffic off to the new carriageway and primary seal it all at once.

CHAIR - I spoke just before on that. If you look at the Bass Highway near Ulverstone and I know that has recently been resealed, that seems to be a lot more noisy aggregate on the vehicle than the rest of the highway. Is that because there is a change in spec that has come about and a new design in road base and is that the same for this?

Mr BURK - The department has done a bit of research on sealing aggregate and what gives the best result. We want good skid resistance with our seals and what has been identified is sealing aggregates with a PAV or polished aggregate value, I think it is 56, gives better skid resistance and better life in your seals. We have been rolling that out but some people have noticed that it is quite noisy. I went up to Somerset last weekend and we drove through Ulverstone and I do not know about your wife but my wife can hear a pin drop down in the boatyards in Launceston. We live a long way from there. She has good hearing. Yes, it does seem to be noisier. You have to think about the safety benefits here. That extra skid resistance gives us extra life and the ability for a driver to bring their vehicle to a stop.

Ms OGILVIE - More quickly in a shorter space?

PUBLIC

Mr BURK - Yes, especially in wetter conditions because of its good skid resistance.

CHAIR - It is not because it is cheaper, it is for safety purposes and better braking response?

Mr BURKE - I would have to check with our asset management department but I think they would be saying it may be more cost effective as well because you will get that extra life out of it. Because it is starting at a higher skid resistance by the time it gets to 10 years, it is still going to have a higher skid resistance than a lower PAV rated aggregate.

CHAIR - I noticed it on the phone.

Mr BURK - It is noticeable.

CHAIR - I thought I was listening to the new standard and is that what is going to be applied on this or is it different?

Mr BURK - I would assume it would be applied on this.

Mr FARRELL - That is the challenge you face. You are designing roads for all sorts of conditions, all sorts of vehicles, all sorts of tyres and you are going to get different results each time. That is something you have to work around.

Mr BURK - With the national highway, we aim to provide our highest level of service and make the environment as safe as we possibly can because you have vehicles at high speed and the higher the skid resistant aggregates are considered best practice.

Ms OGILVIE - With the aggregates, is it larger aggregate, the stones larger? What is the difference?

Mr BURK - It is the integrity of the stone, the strength of the stone.

Ms OGILVIE - Is it a different sort of stone?

Mr BURK - Yes.

Ms OGILVIE - What is that?

Mr BURK - One of the products they have been using is Gaspersic material that has been taken from a quarry on the west coast. There is not a big market for sealing aggregate in Tasmania. It is a long haul from the west coast for the sealing aggregate but it is one of the few aggregates that has that longevity, it keeps its roughness. If you have a look at a traditional crushed dolerite stone, after 10 years, the surface is polished and there is wear.

Ms OGILVIE - With the new stone, will that have an additional wear and tear on tyres? What will be the impact to people's cars?

Mr BURK - I couldn't answer that. I would imagine, yes, there would be a little bit extra wear and tear.

Ms OGILVIE - Might need to go through a few extra tyres.

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CHAIR - It needs to be balanced between if you have someone with a lot of wear on their tyres on a more slippery surface that doesn't have the roughness, is that more dangerous? This committee can't get too deep into that but we can look at, does it deliver the stated purpose and is it good value for money and those things. Normally do a little bit on consultation. It was mentioned, while we were onsite, the land has been owned by the department and the government for a time. Also you mentioned there will be no impact to existing farmers for access to their land or residents wanting to access their properties. I would also like to know whether you had any consultancy to advise the community or engagement.

Mr MEYER - Yes, we looked at the impact on stakeholders and in this case the directly impacted stakeholders were two landholders who will be impacted by the construction. There will be no impacts on the landholders on the existing carriageway because we are not touching the side of that. The impact is purely on the construction of the new section. We have talked to both of them numerous times and the only major impact is the underpass. When they built the existing road they already closed off direct accesses to the highway and as a result of that one of the landholders has an underpass to link his two sides of his property. We will be extending that as part of these works.

CHAIR - I note there are no representations made to the community from anyone within the community. Was there any negative feedback that you are aware of?

Mr MEYER - No. The development application has been lodged with the council. It was advertised in the newspapers, on television, telephone calls, but there were no representations. The council recently approved the planning permit with no restricting conditions.

Ms OGILVIE - Well done.

Mr FARRELL - Could you explain to me the project management that goes back to State Growth of \$108 000? That is fairly normal practice I would imagine for building roads. What does that go towards? Does that go back in as a budget item or does it cover the cost of expert advice?

Mr MEYER - My understanding is that the State Growth project management fees is the state government's contribution towards the project of 20 per cent and also there is a fee that is catered for in-house for credit management.

CHAIR - Isn't that total amount allocated in the budget?

Mr MEYER - To the department?

CHAIR - Yes.

Mr MEYER - I am not sure but if it is it would be added towards, for example, the construction.

CHAIR - I am sure Ms Ogilvie will be seeking it out in a couple of weeks at Estimates. Can you outline what the \$146 000 landscaping is for?

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Mr MEYER - That is for the median strip, the management of that, and the change to the information bay.

CHAIR - What about the fencing? I take it you would have to move the fence we have discussed.

Mr MEYER - Yes, that is correct. When we construct the new carriageway to put grass seed down, bushes and those sorts of things, and it is to supply and erect the new fences and gates.

CHAIR - What are the traffic facilities?

Mr BURK - That is all the line marking, signs, cats eyes, wires.

Mr MEYER - The wire barriers.

Mr BURK - All those traffic facilities.

CHAIR - Are there any other questions?

Mr FARRELL - No, I do not think so, it seems a fairly straightforward exercise.

Mr BURK - You had a question about the project management costs. When we do a project we have in-house people within State Growth, like the asset people, the traffic people, the project management people, who are employed by the state government. There are also consultants engaged and they do flora, fauna, environment, Aboriginal heritage, surveys, geotechnical and design. They have people who are managing that process. That cost engaging the consultants is a lot of the project management. Engineering survey of the whole site, there are all those costs in, broadly speaking, project management.

Ms OGILVIE - We have seen with other projects where the funding has come from the federal and state governments' planning and within the department a project manager has been appointed to the project. The project manager, the employee, is then put against the total money coming from the Federal Government. It would be my contention that it is really double-dipping. If it has its own staff why are we putting that salary against a Federal Government project cost. I have asked a few people, so if you are happy to shed some light on that I would be grateful.

Mr BURK - I work in the traffic engineering branch so our time is not time billed, but do you fill out timesheets, Sven?

Mr MEYER - Yes, that was correct. The project manager's fees are time billed to the project.

Ms OGILVIE - Okay. I have experience in infrastructure myself in terms of communications and I understand your project accounting, but I am finding it difficult to reconcile the fact that as a state government we are funding that salary and then we are also booking that cost against a federal government component. Is there a single answer to that?

Mr MEYER - I don't know the answer myself, no.

PUBLIC

Ms OGILVIE - I will chase it up through other channels.

Mr BURK - It is a legitimate cost. It is a real task that needs to be done, coordination of a project through all the different phases, getting a consultant to do this and there are different consultants involved. If we didn't do it in-house, if Sven wasn't doing it, we would be paying a consultant to do the overall co-ordination.

Ms OGILVIE - Okay, because of the way you have your workforce structured you have to bring people in to do that project-based work, is that it?

Mr BURK - Yes.

Ms OGILVIE - I think that probably makes things clear.

CHAIR - Part of the concern with it is that -

Ms OGILVIE - Not being personal,

CHAIR - Without being personal, I will use you as an example. We are talking about the person who sits next to you in the cubicle next door. If this project wasn't going ahead that person would still be paid by the state government next week, I would presume.

Mr MEYER - Project managers are there to manage projects, so without projects you don't have project managers.

Mr BURK - State Growth has been through a downsizing recently where 174 positions were earmarked to go in the last 12 months, or this 12-month period, and if there weren't projects to manage, the project management staff would have been reduced. The staff level does match the demand.

Ms OGILVIE - The work.

Mr BURK - Yes.

CHAIR - What I am questioning is to why it goes on as a project cost for a project when really it is not an additional cost, it is the job of that department to supply resources to do it. That, I think, was the question that was asked.

Ms OGILVIE - It was, yes.

CHAIR - It is more a question at Estimates, I would say, where we can ask the relevant department head and the minister on why it is done that way and how it is works.

Ms OGILVIE - That it is my preference that if we have the secure and solid job doing their projects and have their salaries coming in, for me it is more of an accounting treatment question.

CHAIR - Yes, that is what we're interested in. We're not criticising or questioning whether it is justifiable or not. Obviously it is, because we're going to build roads, maintain roads and upgrades.

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Ms OGILVIE - I take your point, so the core competencies need to stay within the department and there will be times when the scope becomes much larger as massive projects come on board, so you would bring people in or would you contract people in as well?

Mr BURK - Yes, and we do that. We bring in project managers on contract variously, especially when we have a lot on. A lot of the smaller projects, the \$100 000 projects, we manage in house and we don't time charge. When you get into these major projects there are a lot of hoops to jump through and a lot of tasks to solve, and we have this project services branch, a team of project managers, and it seems appropriate that their time be costed against the job, otherwise there would be consultants doing it.

CHAIR - I suppose it gets costed against the job and it comes in here as a charge when they are paid anyway, so it is more of an accounting treatment.

Ms OGILVIE - I think it is an accounting treatment.

CHAIR - When is it going to tender?

Mr MEYER - Early July.

CHAIR - It is current Government policy that all tenders include a local benefits test based on that. That will be the case for this project?

Mr MEYER - Yes, that is correct.

Ms OGILVIE - What did you call the new rock that was being used?

Mr BURK - The sealing aggregate?

Ms OGILVIE - Yes.

Mr BURK - Gaspersic

CHAIR - Mr Gaspersic is part of the West Coast Economic Working Group. We identified that he had aggregate that could be used and was more suitable to road building in the state. The Department for State Growth helped Mr Gaspersic get his tendering requirements more in line, from my understanding. The more you deal with Government, the higher the requirements are to get on the authorised tender list. So there was -

Ms OGILVIE - It's good to see a Tasmanian supplier.

Mr BURK - Yes. He has the material that will give us what we want.

CHAIR - It will be a very stark change from where we were on the previous term where I would raise that at these committee hearings and we would be howled down by the Labor-Greens government, but anyway -

Ms OGILVIE - Luckily that no longer exists, Mr Brooks.

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CHAIR - No. Luckily it appears some have seen the light now that the Government has moved towards making sure that local business has their fair share. When will it go to tender?

Mr MEYER - July.

CHAIR - When will those tenders be submitted? When will the close for the submission of the tenders be? How long will businesses have to do the tenders?

Mr MEYER - Six weeks for this one.

CHAIR - Is that the standard turnaround time?

Mr MEYER - No, it's normally three and a half weeks.

CHAIR - I am glad it's six because some of the feedback I have from businesses and particularly the smaller operators is they don't have time to submit the tenders. Are there any other questions on tendering and the -

Ms OGILVIE - I note that where the utilities are sited, in particular the cabling runs through private land on the east but not through the road. You don't have to manage around gas and telephone?

Mr BURK - That is correct, yes.

Ms OGILVIE - Thank you.

CHAIR - Do you believe that this project is usefully being funded?

Mr BURK - Yes.

CHAIR - Is the taxpayer being ripped off?

Mr BURK - No, definitely not. For the funds the state has available, and the funding that we have managed to procure through the Federal Government, it is fantastic.

CHAIR - And the project is warranted?

Mr BURK - Yes, we think so. From when this project first went in there were questions about the confusion that was being created for people negotiating one, two, one. Then two carried -

CHAIR - I see there a traffic accident report. I noticed the fatality and there was another serious injury from head-on from travelling on the wrong side of the road whilst not overtaking, so a serious injury and a fatality.

Then there is another one where there is an off-road to the right with a serious injury. I'm not happy to admit it, but I have made that error myself once driving on that part of the road very early in the morning. The thing that we want to see is that we address this as best we can. I suppose the question that I have is, do you feel that it's value for money, an appropriate priority now to be addressing?

PUBLIC

Mr BURK - Yes, absolutely.

CHAIR - Thank you for coming along and providing your evidence.

THE WITNESSES WITHDREW.