



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Tasman Highway – Sideling Upgrade

Brought up by Ms Butler and ordered by the House of Assembly to be printed.

Legislative Council

Mr Valentine (Chair)
Ms Rattray (Deputy Chair)

House of Assembly

Ms Butler
Mr Ellis
Mr Tucker

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1 INTRODUCTION

The Committee has the honour to report to the House of Assembly in accordance with the provisions of the *Public Works Committee Act 1914* on the -

Tasman Highway – Sideling Upgrade

2 BACKGROUND

- 2.1 This reference recommended the Committee approve works to upgrade approximately 15km of the Tasman Highway between the ‘Sideling’ Lookout and the intersection of Minstone Road, Scottsdale.
- 2.2 The Tasman Highway connects Hobart and Launceston via the north-eastern and eastern coasts of Tasmania. It passes through difficult terrain between Scottsdale and Launceston, winding through the Sideling Range. The ‘Sideling’ is recognised as a challenging road for all road users. The hilly and winding terrain presents a number of difficulties and impacts on safety and travel times.
- 2.3 There a number of identified deficiencies with the current road, including poor horizontal and vertical geometry, inadequate road width, a lack of rest areas, limited overtaking opportunities, tight curves that do not meet current standards for heavy vehicles and mass limitations for heavy vehicles.
- 2.4 These deficiencies have a number of negative impacts, which result in the current road access representing a competitive disadvantage and significant barrier to economic growth in the region, affecting industry, tourism and the local community.
- 2.5 This project aims to overcome these deficiencies. As a result, the project is expected to improve travel time reliability, reduce freight costs, provide vehicle operation cost savings, improve safety and lessen barriers to economic growth for the region.
- 2.6 The Tasman Highway – Sideling Upgrade is Stage 1 of the upgrade to the Tasman Highway in the region and will be delivered in two stages. Stage 1, Section 1 is a 4.55 km stretch between the intersection of the Tasman Highway and the access road 550 metres south-east of the Sideling Lookout, through to the intersection of the Tasman Highway and Whish-Wilson Road. Stage 1, Section 2 is 10.61 km long and starts from the intersection of Whish-Wilson Road through to the intersection of Minstone Road.
- 2.7 The proposed works will include the following elements:
 - Lane widening;
 - Sealed shoulders;
 - Curve widening;
 - Hairpin bend realignment; and

- Provision of safe passing opportunities if possible within the terrain and alignment limitations.

3 PROJECT COSTS

3.1 Pursuant to the Message from Her Excellency the Governor-in-Council, the estimated cost of the work is \$50 million.

The following table details the current p50 and p90 cost estimates for the project:

	P50 (\$m AUD)	P90 (\$m AUD)
Base Cost Estimate	\$37,867,119	\$37,867,119
Contingency	\$7,156,881	\$10,079,481
Total Project Cost Estimate	\$45,024,000	\$47,946,600
Escalation	\$1,846,642	\$1,990,565
Total Outturn Cost Estimate	\$46,870,642	\$49,937,165

4 EVIDENCE

4.1 The Committee commenced its inquiry on Wednesday, 15 December last with an inspection of the site of the proposed works. The Committee then returned to the Scottsdale Library Meeting Room, whereupon the following witnesses appeared, made the Statutory Declaration and were examined by the Committee in public:-

- Sven Meyer, Project Management Team Leader, Department of State Growth;
- Killian Peddell, Project Manager, Department of State Growth; and
- Greg Howard, Mayor, Dorset Council.

The following Committee Members were present:

- Hon Rob Valentine MLC (Chair);
- Hon Tania Rattray MLC (Deputy-Chair);
- Ms Jen Butler MP; and
- Mr John Tucker MP.

Overview

4.2 Mr Peddell provided an overview of the proposed works:

Mr PEDDELL - Today we are seeking your approval for the Sideling Upgrade project stage 1. The Sideling Upgrade project is aimed to increase freight productivity and road safety for all road users.

The project will upgrade 15 kilometres of the Tasman Highway to B-double standard, between Corkerys Road and Minstone Road intersections, including road widening, shoulder sealing and the construction of stopping bays. The project follows extensive option analysis, community consultation and thorough engagement with directly impacted landowners.

The selected design widens the existing alignment, improves corner curvature and installs stopping bays for slow vehicles.

The Project will achieve the following benefits:

- Improved travel time reliability for commercial operators and travelling transport between Bridport, Scottsdale, and Launceston;
- There is a calculated six minute time saving for heavy vehicles through this package
- Improved safety for heavy vehicles and road users by providing wider lanes, improved corner curvature to allow B-doubles to stay in their current lane, sealing shoulders and passing opportunities
- Increased economic prosperity for the north east and providing safe and compliant access routes;
- Upgrading of existing intersections and access for property owners;
- Increase heavy vehicle accessibility by 40 per cent. Current estimates are that 260 heavy vehicles use the route per day; it is expected to be 440;
- The creation of 30 jobs throughout the duration of construction;
- Reducing accident rates;

- Safety improvements will be delivered by road widening, inclusion of stopping bays, hairpin bend realignments, improved traffic management at intersections and property access;
- Vehicle-operating cost savings.

In 2019, the Commonwealth and state governments committed \$50 million to upgrade the Sideling as part of the Roads of Strategic Importance initiative. The total project forecast is \$46.9 million as a P50 estimate for the highway upgrades. Project costs are estimated on engineering modelling and estimates that exist for similar projects.

The project has a benefit cost ratio of three, which means the project benefits will exceed the costs three fold. Construction is planned to commence in January next year and be completed in late 2024.

Overall, I submit that this project will enhance access to north-east Tasmania and upgrade a key logistical link between the north-east and the rest of the state, improve safety for heavy vehicles and general road users, and will reduce accident frequency and increase travel time reliability.

We have worked with the community and impacted stakeholders, and will continue to do so during the process and post construction. The project has a strong benefit cost ratio. In conclusion, this project is good use of taxpayers' money.

Matters Raised by the Mayor of Dorset Council

4.3 The Committee recognised the Dorset Council was instrumental in securing funding from the State and Federal Government's for this project. The Mayor of the Dorset Council, Mr Greg Howard, attended the public hearing to provide his views on the project.

4.4 Mr Howard highlighted the need for the proposed upgrade, including anecdotal evidence demonstrating the negative impact the current road had on the local economy:

Mr HOWARD - The project that you are addressing is probably my pet project, I suppose. Ever since I've been on council, I've pushed very hard for the upgrade.

The north-east is probably the only substantial area of prime agricultural land in the state that doesn't have a reasonable B-double access. There is B-double access in and out of the municipality via Bridport Road, the Flinders Highway and either up through Lebrina, or all the way to George Town and up the East Tamar, but that adds considerable distance to the trip and time and it still lands you on the northern side of the City of Launceston. If you look at both the inbound and the outbound freight from the north-east, probably less than 10 per cent of that inbound and outbound freight either emanates from, or ends up in, Launceston as a destination and the vast majority, the other 90 per cent, either goes to the central north, the north-west coast or to the southern region.

It is for that reason that we need a road that does not necessarily go through the City of Launceston and goes around the back of it.

...

I am very much in support of the project and I think it is absolutely necessary for the survival and for the sustainability of the north-east. We had a situation where there were a couple of large farms for sale in the Winnaleah area. As it turned out, potential buyers from the mainland flew into Launceston, got half-way over the Sideling and turned around and went back and said, 'No, we are not interested'. The road was that scary to them. To us who drive

it all the time it's not that scary except if you meet a semi-trailer or something on one of those corners.

CHAIR - Two B-doubles meeting on a corner.

Mr HOWARD - Yes. It's pretty tight. We have a lot of shock-horror stories from tourists who have never accessed roads like that where they've come from. To meet one of those trucks on the corners is particularly scary for them.

...

... .. We've spent a considerable amount of money - it must be close to \$100 million now in terms of federal government commitment, state government commitment and local farmers on irrigation schemes and extending the Winnaleah scheme, the Ringarooma scheme and the Headquarters Road scheme, and the new Scottsdale Irrigation Scheme. So, we have a very large amount of water available which should mean a huge increase in the amount of produce produced in the district. We obviously need a suitable route to get that produce to market at a reasonable cost.

About five or six years ago, we had some salad retailers from Victoria who were very keen on growing salad vegetables in the north-east because when it gets to 35 degrees in Victoria, even under shade, they just wilt. So, they came over here and looked at our average temperatures and we've got the ideal ground, the ideal temperature, the water, everything that is needed. The only thing that stopped us was ready access from here to the airport to get that produce on the plane.

I commend this project, obviously, to the committee. I think it is very important for the north-east that it goes ahead.

4.5 Mr Howard also discussed the potential benefits of the project, including improved travel times and cost savings for freight operators in the region:

Mr HOWARD - It is not only a cost saving to local producers and to trucking companies, but it allows a considerable saving in time which is time and money. Speaking to local truckies, they save 60 litres less of diesel if you use the current route to go to Launceston than it takes to go via either the Lilydale way or -

CHAIR - Sixty litres?

Mr HOWARD - Sixty litres of diesel per trip. It is not an insignificant amount and it is also probably 30 to 40 minutes because it can sometimes take you 30 minutes to get through the City of Launceston in peak hour traffic and it is no picnic travelling up Wellington Street or down Bathurst Street in a B-double in peak hour traffic.

We have been pushing for this really hard. We did a considerable amount of research as a council before I went to the federal Liberal Party and asked for an election commitment. That was a considerable amount of work, speaking with most of the large companies and the local trucking companies as to the amount of freight that they cart in and out of the north-east, and which route they would take in the event that we upgraded the Sideling. We appreciate there is a large amount of timber that goes to Bell Bay and will still continue to go to Bell Bay; and there would be some agricultural produce that comes from the Bridport-Waterhouse area which would probably still go to George Town, across the Batman and down to the north-west coast. So, of the available freight that is probably going to use the Sideling, if the Sideling was upgraded, we are still looking at close to a million tonnes worth of freight to go over the Sideling on an upgraded basis.

On a cost basis, we think that somewhere in the order of \$8 to \$10 a tonne would be the cost savings on a million tonnes of freight. That is a considerable amount of savings for the north-east, and if you compare that against the \$120 million that is now budgeted for the entire project, it is still a pretty good return on your investment.

- 4.6 Mr Howard did, however, note some concerns with the current plans for the project. One concern was the cost of the project. Mr Howard indicated that research undertaken by the Dorset Council had estimated the cost to be significantly lower than the funding provided for the project. Mr Howard indicated that their estimate was approximately \$51 million, inclusive of Stage 1 (the current project) and Stage 2 (a future Sideling upgrade), compared to the \$50 million committed for Stage 1 and \$70 million budgeted for Stage 2:

Mr HOWARD -At the time we first decided we wanted to chase the money, we had on our staff an engineer/project manager who we got to cost the project. He did do the second part of the project around the current route, around the back of the Sideling, and it came in at \$43 million.

We decided that we would add at least 20 per cent contingencies on that, which took it to \$51 million and a bit. Before we went any further, we fact checked that with Shaw Contracting. We submitted the plans and the numbers to Shaw and said, have a look at this for us and see where you think we are; are we on the money or are we too short or too light? Their response was, 'No, we think you are pretty close to the mark, \$50 million should build the whole project'. We were pretty confident in that number, in that we just finished the western access road into Bridport which is 2.8 kilometres long, it is a greenfield site, we had an \$800 000 bridge to build and we built it for less than \$5 million.

... ..That \$50 million has grown to \$120 million - somewhat to our shock to be honest. We have an existing road and I know it is not easy building up through there; I have a considerable amount of experience in road design and road construction from a forestry point of view, and I know that's not building a highway but the principles are the same. I was rather shocked by the \$120 million. I understand there are a lot of processes in how the Department would go about it that we probably would not have to do in a forestry situation.

- 4.7 Mr Howard also suggested that closing the road during construction may result in time and costs savings for the project, and indicated there was broad support for this in the local community:

Mr HOWARD -I had some reservations when I spoke briefly with the Department about how the project might actually occur. One of those things is that I would have thought that the road needs to be closed to do the first part. The reason for that is that, I know from our own experience, that you could probably add 35 per cent to the cost if you use road traffic management. That is not just the cost of traffic management but it's the lost production by having to use smaller equipment.

If you are going to have traffic management, you're probably going to be up there with at 25-tonne excavator and a few 10-yarders. Whereas, if you can close the road, you can probably bring in a 50- to 100-tonne excavator, dump trucks and a D11, and smash it out very quickly, the major construction part. Then you can reopen the road while they are doing -

CHAIR - Do you think the community would be broadly supportive of that?

Mr HOWARD - Yes, we've had considerable discussions, especially with the people who live in the Springfield area, which will be the most affected. We have alternative routes. Lilydale Road is an alternative route. For those people in the Springfield area, they can either go up over the Camden and come out at Myrtle Park or they can take Koomeela Road which is a

shortcut through to Lilydale Road. I think they would be more tolerant of the shorter full road closure than they would be of an 18-month interruption, where you sit up there. We know for a fact that some of the rocks are going to need to be blown, so you could be sitting there for a considerable time after a blast before they actually clear the road and let the traffic through.

CHAIR - So, extra distance going those ways.

Mr HOWARD - They're not worried. We have consulted extensively on that and everyone is so keen to get the new road that they're prepared to put up with a bit of pain to get a result at the end.

4.8 Mr Howard also indicated his support for the reuse of excavated material in Stage 1, Section 1, for fill in Stage 1, Section 2. The Committee sought Mr Howard's view on the potential to reuse of material excavated for the Stage 1 Section 1 works as fill for the Stage 1, Section 2 works. Mr Howard was supportive of this idea:

Ms RATTRAY - In regard to any excess resource, the dirt that comes out, the materials, we talked about earlier today and I know it is important to be able to reuse some of that. Do you have a view around that?

Mr HOWARD - The product we're talking about, it's essentially sedimentary rock through there, which is ideal road-building product. There will be a considerable amount of fill required in the next section, between Whish Wilson Road and Scottsdale, and it would be remiss of us not to use that product. It's 70 000 cubic metres, from memory.

CHAIR - That figure is largely sandstone?

Mr HOWARD - That's sandstone, sedimentary rock, yes. That would be ideal fill for places like across the Brid River flat and for a lot of the other, for that section at Scottsdale. I would like to see some of that crushed, stored and used in the next section.

Where you store it is probably up to the contractors. If you store it up the top, that's a mixture of Crown land and state forest. If you're going to store it down the bottom, you would have to do some sort of deal with private land owners.

The contractors who have tendered for the project have already approached some land owners down the bottom about just dumping the product in gullies and swamps, and stuff like that, and not reclaiming it. I think that would be a massive waste, especially if you are then short of resource on that next section and you have to go and buy fill and road base to complete the second part of the project.

Ms BUTLER - As a supplementary to that, with your experience in this area, what kind of cost savings do you think that could provide by using that fill on the next stage? Are we talking a few hundred thousand dollars?

Mr HOWARD - We're talking a couple of million I reckon, at a guess. It will be a significant amount. I don't know the exact price -

CHAIR - Through avoided cost, you mean?

Mr HOWARD - If you dump all the existing soil from up there and you have to buy it, and you need 70 000 cubic metres that you're going to buy for fill down the bottom, at whatever the price is per cubic metre, it's going to be massive.

CHAIR - You're also transporting it if you're dumping it somewhere else.

Mr HOWARD - That's right. Unfortunately, the design for that second piece between Whish Wilson Road and Scottsdale is not finished. If it was, you could literally dump it in its end zone basically, where it's needed.

Potential to Close the Road during Construction

4.9 Following the Committee's discussion with Mr Howard, the Committee was interested to know if the closure of the road during construction was considered by the Department, and whether or not such a closure would decrease project costs:

Mr TUCKER - ... We have to look at whether we are going to get maximum benefit for the taxpayer dollar with what we are proposing here. The witness before was talking about a 35 per cent decrease in the cost if we close the road. Could you expand a little bit on whether that is correct, in your understanding? If we close the road, will we decrease the cost by about 35 per cent - or, how much would it decrease the cost by?

Mr PEDDELL - At this point we are not aware of the exact percentage. I can take that on notice and get back to you, if that is suitable.

...

Mr TUCKER - Are we going to close the road when we're building this? Is that what is being proposed, or are we looking at that?

Mr PEDDELL - Currently the project will keep one lane open during the construction period, when the construction crews are working, and both lanes will be open outside of those construction times.

Mr TUCKER - Closing the road has not been looked at, within the scope of this?

Mr PEDDELL - It has been discussed in early consultation with key stakeholders, and that is something the Department will discuss and explore with the successful tenderer.

4.10 Subsequent information provided to the Committee indicated there would be some cost savings in the closure of the road but the Department noted that road closures are only considered when it is unsafe to complete the works with traffic present. The Department also submitted that there would likely be increased costs to the community in closing the road that would outweigh the savings potential:

The estimated cost saving for closing the section of Tasman Highway during construction is approximately 12% of the total costs of construction. This estimate factors in the assumed construction efficiency increase, reduction of traffic management, logistical impacts to businesses, changes to risk profile and other associated costs.

It should be noted however that the Department only approves the closing of a road for construction in exceptional circumstance and typically where the works could not safely be completed under traffic. The closing of a highway has a significant economic impact on the broader community, industry and freight operators which typically far exceeds the construction cost savings with the result that there is an increased cost to the community.¹

¹ Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022, p 1.

4.11 The Committee was also interested to know whether a closure of the road would be beneficial to decreasing the project timeline:

Mr TUCKER -The other thing, as I discussed there with the previous witness, is that by closing the road, there is a decrease in the time that it will take to build the road. Is that correct? If we close the road, we would get it done quicker?

Mr PEDDELL - In consultation with contractors in the development of this project, they have echoed the previous witness's comments that closing the road would likely accelerate the program.

Mr TUCKER - By how much?

Mr PEDDELL - At this point an exact time frame would not be known, but the Department would discuss that with the successful tenderer. I could take that on notice if you would like me to look at that further?

Mr TUCKER - If you could look at that, to give us a time line of how long it would take to build the road if we closed it, and how long it would take if we had one lane closed - which is what is put forward at the moment. If we close the road it means we can get through the work quicker and get another project out the door as well, which I see as a major benefit for the state. It's something that we should look more at with road building as we're going along where we can in closing roads, if this is the case. It would be interesting to look at that.

4.12 The Committee subsequently received further information from the Department indicating the potential time savings of a road closure:

Closing the road during construction could reduce the construction program by approximately 20% compared to having only one lane closed. This estimate factors in the assumed construction efficiency increase, reduction of traffic management, logistical impacts to businesses, changes to risk profile and other associated costs.²

4.13 The Committee questioned the Department as to whether they were aware of community support for the closure of the road to expedite the completion of the works:

Ms BUTLER -Would community consent for a short period of road closure assist the Department with making that decision, or a contractor making that decision? Would that be helpful?

Mr PEDDELL - Community consultation -

Ms BUTLER - A consent from the community, an agreeance?

Mr PEDDELL - A consent from the community would be definitely something that we would look for, but we would engage the community to get a formal understanding of their position and that would help us shape our decision.

Ms RATTRAY - Given that you've already let the tender and there's a commencement date - you said January, I was of the understanding it was February -

Mr PEDDELL - Sorry, subject to parliamentary -

² Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022, p 1.

Ms RATTRAY - Yes; but how are you going to get community consent before you indicate to the successful tenderer that this is the way that the Department would like to see the works unfold? I just don't see a realistic time frame to do that.

Mr PEDDELL - The Department will continue to engage with the community to determine their favour, or disfavour for shutting the road and that will help inform our decision. The time frames around that - if the contractor was to commence in January there would be time allocated for their site mobilisation before they can physically start the works, and the Department would work with the stakeholders and the council to determine whether or not that closing the road, if one is possible, and two, is favourable.

Ms RATTRAY - How much more community consultation/support do you need, other than the mayor sitting at this table telling you there has been a significant amount of consultation with the community over a long period? This funding has been available since 2019, and it is nearly 2022, so it is not new to the community. Would you need to be able to say that we are comfortable, that the community generally supports this, the majority support it?

Mr PEDDELL - I guess when we talk about the community, we are not just talking about the community of people who live in the Scottsdale area. It would also include people who travel through the area, and the transport association that uses it for freight, any emergency access, local landholders and those sorts of things.

We've consulted with the majority of those people and they generally came back in favour of it. I guess when we put the tender out, we generally don't advocate for full closure of roads, because the tender period for this particular section is 18 months. So we said that you can close one lane, but then we work with the successful tenderer to work out the time frames of when you would close it. You may close it for a certain amount of time to clear the vegetation and for significant removal of material, but we probably don't think it is suitable to close it for an extended duration.

Ms RATTRAY - What's your version of extended duration?

Mr PEDDELL - Months at a time, probably.

Ms RATTRAY - Again, that's the community discussion.

Mr PEDDELL - Sometimes we start off where we close the road for a couple of weeks for vegetation removal, and everything works really well, and the community is generally positive, then the contractor works extended hours. It is a bit of trial and error sometimes.

CHAIR - It might be something that would involve council decision. With due respect to the mayor, obviously he has his finger on the pulse, but it might be something that the council might vote on, and then other stakeholders.

The other point, in terms of community benefit in only having a single lane open as opposed to full closure, is frustration and productivity delay and things like that. If you have extra information to add, it would be good. There seems to be a benefit in full closure of the road, but it is something you have to work out.

4.14 The Committee understood that while the works were in construction there would be some impact on road users, particularly for large vehicles:

CHAIR - major dis-benefits? Well I suppose a single lane being open is a dis-benefit. It doesn't say it there, but you say -

Large vehicles such as semitrailers will not be able to travel through the site during the construction works due to the need to maintain safe separation between vehicles and workers.

In effect, isn't that saying that the road is going to be blocked off?

Mr PEDDELL - As you experienced today on that road, because of how narrow it is and how narrow the corners are, for us to keep a safe working distance between contractors and the traffic - and how wider a truck needs to swing to get around a corner safely - I believe it was vehicles of 12 metres and above wouldn't be able to use the road during the construction period. For example -

CHAIR - There will be some vehicles that won't be able to use it anyway.

Mr PEDDELL - That's right, and we would communicate that to those stakeholder groups who would be impacted. For example, if the contractors were working between 7 a.m. and 5 p.m., for example, they would have one lane operational during that time, with traffic management. Outside of those times, in the morning and evening, they would have both lanes open - so, just in that daytime period when the physical works are underway is when that would be in effect.

Potential for Re-Use of Materials Removed from the Project Area

4.15 The Committee understood that a significant amount of fill would come out of the Section 1 works and wondered if this fill would be available to re-use in the Section 2 works. Additionally, the Committee questioned where this excess fill might be stored, and the potential cost savings if the fill could be re-used in Section 2:

Mr TUCKER – ... Now the other thing that the previous witness brought up was about the 70 000 cubic metres of fill. Is that figure correct, about 70 000 cubic metres of fill?

Mr PEDDELL - I don't have on hand the exact figure with me today, my apologies. I can take that on notice if you'd like me to indicate that?

... ..

Mr PEDDELL - Through section 1, I believe is what you're referring to, the first section?

... ..

Mr TUCKER - We just need confirmation that that's what the figure is and the cost. Number one, can we store it at the top there on Crown land, or on STT land, and what would the cost saving be to the community through doing that with this road?

Mr MEYER - We can say that there is still a significant amount of cut - material taken out - in the first stage and then a significant amount of material - fill - needed in the second.

Mr TUCKER - If what you're saying is correct, there are obviously significant savings there. I'm not sure whether it's better to store it at the top, or whether you're better to take it to the bottom while we've got that section of road closed, if we do go down that path, and store it somewhere down lower so we don't have to come down the road and keep those trucks off the road. It's a bit like I mentioned with the Perth link. What they did with that road was a tremendous piece of engineering. Everyone won out of that. We've taken that hill of rock away, dug a dam and took all those trucks off the road. It saves our roads and it saves transport. Saves everywhere, and everyone is happy. I see some really good points, as I think the rest of the committee here sees some really good points that were brought up that we need to look at and get answers to before making the decision on this proposal that you're putting forward to us.

CHAIR - Just in terms of the dollars spent. We're not engineers, but given the suggestion it would be good to have some information on that, so that we can decide the value of it.

Mr PEDDELL - Just for a point on that, the Department will work with the successful contractor to look at costs and time savings with the repurposing of the sprawl. If not, alternate solutions to store that, to be used in section 2, which is currently being designed as we speak.

- 4.16 The Committee was provided with further information which indicated that the fill from Section 1, if suitable, may be able to be utilised in Section 2:

In Section 1 there will be approximately 80,000m³ of fill. Design of Section 2 is not yet complete and at this stage, the quantity of fill required is unknown. Should the material from Section 1 be found suitable and the Section 1 and Section 2 construction programs align, then the contractor will be encouraged to use excess fill from Section 1.

The on-site storage of material is managed by the contractor through the construction contract and the potential savings in reuse of material are difficult to quantify as the amount of fill required in Section 2 is not yet confirmed.³

- 4.17 The Committee also questioned the Department regarding the potential for re-using any timber and vegetation removed from the project area:

Ms RATTRAY - Any timber that needs to be removed for the works to be undertaken, there's an arrangement with STT (Sustainable Timber Tasmania) to be able to use that resource?

Mr PEDDELL - A lot of the areas where large vegetation is required to be removed is on Sustainable Timber Tasmania or DPIPWE land and that would be a negotiation that we'd have with them, for them to harvest that vegetation and to -

Ms RATTRAY - And chip it if we have to, or use it.

Mr PEDDELL - Use it, definitely.

... ..

Mr TUCKER - Coming back to the vegetation. What happens to the vegetation that is going to come out of that? You take the logs out of that with STT, but what happens to the rest of it?

Mr MEYER - We are still working through an agreement with Sustainable Timber Tasmania to get access to the land. It is something we will discuss with them in more detail.

Hydrology Report

- 4.18 The Committee was interested in obtaining the hydrology report for the project, raising questions about whether or not the roadway would be built with adequate drainage to avoid future issues:

Mr TUCKER - You would have a hydrology report for this road and I know this is fairly straightforward. Could we be provided with that?

Mr PEDDELL - I can provide that one.

...

Mr MEYER - Is there something specific you are interested in, in terms of hydrology?

...

Mr TUCKER - It was a section of road on the Midland Highway with a drainage issue where the water wasn't draining away under the highway. The water was sitting under the highway and it needs to be fixed. That is why when the Public Works Committee looks at roadworks, we need to look at the hydrology report to make sure that that water is being drained away and not left sitting there.

³ Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022, pp 1-2.

4.19 The Committee subsequently received from the Department a copy of the hydrology report prepared by Pitt and Sherry which indicated existing infrastructure to be deficient in a number of areas.⁴ Several recommendations were made by Pitt and Sherry for upgrading culverts, including better catch drains and performing additional inlet works.⁵

Project Route Options

4.20 The project considered a number of possibilities for the route of the road, looking for the most appropriate way to address the key challenges within the scope of the budget. Looking at maps in the Department's submission⁶, the Committee questioned the witnesses regarding the reason certain routes were discounted:

CHAIR - The options. For the record, if we look at the top map... .. there are a couple of yellow lines on the map which indicate possible routes that were considered. Can you tell us why they weren't considered achievable?

... ..

Mr PEDDELL - The map that you are referring to, figure three of the document, shows the lines highlighted in yellow. They were discounted because of the gradient. The gradient was too steep to be compliant with B-double standards.

The other proposed, which is the purple lines, are possible ones that we can explore.

... The one below, in Figure Four, is above that first hair-pin bend.... That opportunity is to improve that 700 metre length of road. Unfortunately, the gradient across that duration there was also too steep, and doesn't meet the current B-double standards, which is the scope of the project.

... ..

CHAIR - With Figure Three, that main red line. What is this?

Mr PEDDELL - This is Corkerys Road. At the top, where that meets the Tasman Highway, which is the blue line, that is the start of this current stage that we are discussing, which then works north up off that map towards Scottsdale.

CHAIR - But just for the record - Corkerys Road: you are using that or you're not using it?

Mr PEDDELL - Corkerys Road is part of a later stage.

CHAIR - Stage 2.

Mr PEDDELL - The first witness was referring to this as Corkerys Road as an alternate route.

Mr MEYER - It's Stage 2; subject to separate funding and separate standing committee approval.

... ..

Ms RATTRAY - In Figure 4, where it says this particular option was discounted due to the vertical grade of over 15 percent, which doesn't comply with the B-double requirements. Was that around 200 metres of that 700 metres that was non-compliant?

⁴ Preliminary Drainage Assessment, Sideling Stage 1, prepared by Pitt & Sherry for the Department of State Growth, 15 October 2021.

⁵ Ibid.

⁶ Sideling Upgrade Project Stage 1, Submission to the Parliamentary Standing Committee on Public Works, Department of State Growth, 1/12/2021, Figures 3-5.

Mr PEDDELL - I am not sure exactly but the options analysis, when the design engineers reviewed this as an option, it was deemed that it was not suitable for B-doubles.

It is an approximately 700 metre stretch, but what you are probably referring to is, only some of it is compliant.

Ms RATTRAY - Was that that 15 percent?

Mr PEDDELL - I don't have the statistics on me today, about how much of that 700 metres doesn't meet the gradient required; although I would suggest that, even if it is a very short period of that section there, that route wouldn't be compliant. It wouldn't be possible.

Ms RATTRAY - It's still not possible, even if it is only 50 metres of the 700 metres; it still doesn't comply with the B-double requirements.

Mr PEDDELL - That is my understanding, as a non-engineer.

Increased Potential for Passing Opportunities

4.21 The Committee was pleased to see the inclusion of options for passing traffic along the road, given the road currently does not allow opportunities for passing:

Ms RATTRAY - It is very pleasing to see that two or three of those stopping bays that are already in place will be formalised through this upgrade. I did notice the project summary says, 'addition of passing lanes'. They are different. A passing lane is different to a stop.

Mr PEDDELL - That is correct. Stage 1, section 2, which is from Minstone Road to Wish-Wilson Road, is still being developed, and the Department is working with our designers to evaluate any options through that section to provide passing opportunities for the traffic. So, to improve travel time reliability.

Ms RATTRAY - ... while we were at the Sideling Lookout, we took the opportunity to take notice of the significant stretch of road as we climb up to the Sideling Lookout from Scottsdale and then before we get to Corkerys Road, where the new works are going to finish at this point. We discussed a passing lane opportunity there. That is not in the design?

Mr PEDDELL - That is currently not in the design, but I can take that on notice to discuss with our design consultants the possibility of an inclusion, if we can do that.

Ms RATTRAY - That's a pine tree plantation going up on the right-hand side, so they're certainly not trees that can't be removed. There's a significant amount of road verge into the Sideling lookout as well. That would be a useful use I believe. I am no engineer but as a road user I am prolific. I know and understand where people's frustrations lay because that's where mine lay.

Mr PEDDELL - Yes, I appreciate that, thank you. I will get a response for you.

Mr MEYER - We will have a talk to the designers about that. That section of road will be widened as per all other sections. The existing overtaking opportunity will be better and easier after vegetation removal.

Ms RATTRAY - A designated passing lane is so much safer than just taking the chance that you are going to be able to get around. As one of my colleagues said earlier today, for some reason when you start overtaking someone they decide to speed up, often. I don't know if that is human nature but it happens, particularly signed vehicles. That's worth looking at.

4.22 The Committee subsequently received further information from the Department indicating difficulties with providing overtaking lanes in the area:

The challenging terrain and road geometry through the Sideling lookout is such that an overtaking lane in the area cannot be provided that complies with the Austroads Design guidelines.⁷

Natural Value Assessment

4.23 The Committee understood the project had completed a natural values assessment of the area and sought to confirm that there were no identified issues:

Ms BUTLER ...the question around threatened flora and fauna, and attacks on prime agricultural land. If you could just run through that with us and also make sure that there are no orchids?

...

Mr PEDDELL - We completed a natural values assessment of the area, and the area associated with the works, and it was concluded that there was no threatened flora or fauna in that area. There is a section that we'll get to further in the report that speaks to that. There was identified some wedge-tailed eagle nests further into the bushlands. We found that one was active. We did some line-of-sight modelling and concluded that the nest did not have line of sight with the Tasman Highway, so these works would not impact that active eagle's nest.

Project Contingency Costs

4.24 The Committee was interested to hear about the difference in contingency between P50 and P90:

CHAIR - Project cost. It's interesting on 3.1, with regard to the contingency, that contingency, P50, is a contingency of 18.9 per cent. P90 has a contingency of 26 per cent. Can you explain why that would be?

Mr MEYER - The P50 is the funding that we have got approval to spend and the P90 is the available funding that you could spend if you had lots of unfavourable conditions or unknown issues that you weren't aware of. Why it's quite high is that for this particular project, when it went out for tender, we haven't done a full, detailed design. We've done what is called a design with a schedule of rates. It's not a detailed design in a lump sum contract because we were keen to get this project to market. It's a limited design and a schedule of rates. The contractors put in rates for quantities of material and, as we're working through with the contractors, that rate will increase or decrease, depending on the changing quantities and rates.

.....

Mr MEYER - If you're looking at savings, yes, you can look at the contingency of where it expects there could be increases or decreases, whereas the base cost is what we expect it to be costing. If we can get some significant savings through good construction methodology, then this figure in the contingency is money we could spend for further parts on the road.

CHAIR - The escalation, I know this is almost the same for both - one is 4.1 per cent and the other 4.15 per cent. I am assuming that the P90 which is 90 per cent of the estimates are in the ballpark. That is not going to make much difference on the escalation. The escalation is either there or it's not, and it's going to be the same for both?

⁷ Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022, p. 2.

Mr MEYER - Yes, pretty much, that is correct. It is worth noting that escalation is a real and current factor in today's market. The price of material is significantly changing, often at a monthly rate. It's not just steel and diesel; there are quite a number of materials that are changing and a lot of the tenders we are currently receiving, there's been some advice around that.

Stakeholder and Community Engagement Plan

4.25 The Department has developed a Stakeholder and Community Engagement Plan for the project to provide a transparent and well planned process that keeps stakeholders informed of progress.⁸ The Committee sought to understand how this stakeholder engagement process had progressed:

CHAIR - ... stakeholder engagement. Given us a bit of an understanding there.

It has been 'prepared and approved for this project in accordance with the State Roads Stakeholder and Community Engagement Framework and adopts the practices developed by the International Association of Public Participation (IAP2)'.

Do you want to make any comments on that at the moment? How that has gone or how you are planning to progress that?

Mr PEDDELL - Stakeholder engagement went well. We had a display at the Council Chambers which remained active for 2 weeks. The number of representations...

CHAIR - Where was that displayed?

Mr PEDDELL - The Council Chambers here in Scottsdale. We got 66 [representations] I think - there is an Appendix in the back of the report.

... I believe having that number of people attending and following it up afterwards, it is great to see such support from the community for the project.

CHAIR - I think most people see it as a benefit.

Ms RATTRAY - Even in your feedback. Support for closing the road during construction.

Mr PEDDELL - Yes. The support has definitely been there from the public.

The Acquisition of Land Required

4.26 The Committee was aware of the likely need to acquire land along areas of the project route where the existing road corridor is too narrow. The Committee was interested in the details of the necessary land acquisitions that would be associated with the project:

CHAIR - Is there any land acquisition associated with this development?

Mr PEDDELL - There is. As Ms Rattray mentioned before there's Crown to Crown, SST and DPIPW.

⁸ *Sideling Upgrade Project Stage 1, Submission to the Parliamentary Standing Committee on Public Works, Department of State Growth, 1/12/2021.*

CHAIR - There are no private acquisitions?

Mr PEDDELL - At the bottom of section one and then throughout section two. In section one there are four sections of property and about 80 in section two, which is a bit further in the report. That is just taking slivers off the front to expand the road corridor to allow us to build the road.

... ..

CHAIR - So we are talking about putting fill over the corners. Mr Tucker was talking about this morning on our visit. Where it was considered that might happen, would there be land acquisition associated with that?

Mr PEDDELL - We would first have a discussion with our engineers if that's a possibility. If that is a possibility then we would look at where the road boundary sits in those specific sections and whether or not acquisition would be required.

CHAIR - You wouldn't be able to say categorically one way or the other?

Mr PEDDELL - Unfortunately not.

Mr MEYER - I guess that is one of the reasons why section two is coming later because there is quite a large number of very small acquisitions that take time to discuss with the landowners.

Proposed Speed Limit for Road

4.27 The Committee questioned the Department on whether the speed limit of the road would stay the same or be altered in some way:

Ms RATTRAY - A question about the proposed speed limit. Will that stay at the maximum of 100 kilometres an hour?

Mr PEDDELL - I believe so. I will double check. I'm pretty sure it's unlikely to change.

Ms RATTRAY - I would like to have that confirmed otherwise.

4.28 In information provided by the Department it was confirmed the speed limit would remain at 100 km/hr:

... on completion of the works the speed limit will be returned to 100 km/hr.⁹

Road Markings

4.29 The Committee questioned the witnesses about whether the road would incorporate central barriers and what type of line markings may be used on the road:

CHAIR - Just for the record - no central barriers?

Mr PEDDELL - At this stage of the design, there are no central barriers.

Ms RATTRAY - Will there be an opportunity to have double lines? As you might have noticed, there are mostly only single lines.

⁹ Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022, p. 2.

...

Mr PEDDELL - *That will all be developed through our design.*

Ms RATTRAY - *You would have noticed as you drove, particularly once you come up past St Patricks River, that windy section there, you can't have double lines because the pavement is not wide enough for double lines. So we have a single line.*

Mr MEYER - *You mean an edge line?*

Ms RATTRAY - *Middle line. We don't have edge lines. We only have a middle line. We're lucky if we get a middle line.*

Mr PEDDELL - *That section that you are referring to from St Patricks River up to probably just before the lookout, that would be under section two which is a separate funding, a separate project and a separate committee of parliamentary standing committee approval.*

... ..

Mr PEDDELL - *... .. The line situation is taken on notice.*

4.30 Information later provided by the Department indicated that appropriate line markings for the project would be utilised as required:

Although the design of Stage 2 is yet to be completed, the road design will be completed in accordance with Austroads Design Guidelines including for the line markings appropriate to ensure the safety of road users and as such double white lines will be provided as required.¹⁰

Does the Project Meet Identified Needs and Provide Value for Money?

4.31 In assessing any proposed public work, the Committee seeks assurance that each project is a good use of public funds and meets identified needs and provides a public benefit. The Committee sought assurance on these matters from Mr Peddle and Mr Meyer and received the following confirmation:

CHAIR - *....Does the proposed works meet an identified need or needs or solve a recognised problem?*

Mr PEDDELL - *Yes.*

Mr MEYER - *Yes.*

CHAIR - *Are the proposed works the best solution to meet identified needs or solve a recognised problem within the allocated budget?*

Mr PEDDELL - *Yes.*

Mr MEYER - *Yes.*

CHAIR - *Are the proposed works fit for purpose?*

Mr PEDDELL - *Yes.*

Mr MEYER - *Yes.*

CHAIR - *Do the proposed works provide value for money?*

Mr PEDDELL - *Yes.*

¹⁰ *Ibid.*

Mr MEYER - Yes.

CHAIR - *Are the proposed works a good use of public funds?*

Mr PEDDELL - Yes.

Mr MEYER - Yes.

5 DOCUMENTS TAKEN INTO EVIDENCE

5.1 The following documents were taken into evidence and considered by the Committee:

- *Sideling Upgrade Project Stage 1*, Submission to the Parliamentary Standing Committee on Public Works, Department of State Growth, 1/12/2021.
- Response from the Department of State Growth to the Committee's request for additional information, dated 21 February 2022.
- *Preliminary Drainage Assessment, Sideling Stage 1*, prepared by Pitt & Sherry for the Department of State Growth, 15 October 2021.

6 CONCLUSION AND RECOMMENDATION

- 6.1 The Committee is satisfied that the need for the proposed works has been established. Once completed, the proposed works will improve travel time reliability for users travelling between Bridport, Scottsdale and Launceston.
- 6.2 The proposed works will result in a safer road environment for all road users, but in particular for heavy vehicles. Safety improvements will include the widening of the road, the realignment of hairpin bends, improved traffic management at intersections and property access, as well as the inclusion of stopping bays.
- 6.3 While Mr Howard, the Mayor of Dorset Council, suggested the closure of the road could be beneficial both in terms of saving time and money, the Department indicated that closure of roads was only performed in exceptional circumstances. The Department acknowledged the potential savings to the project if the road was closed but submitted the cost to the broader community, industry and freight operators would outweigh these savings.
- 6.4 However, the Committee understands there are 3 alternative routes that could be used during this time, which would mitigate the broader costs raised by the Department. Furthermore, the Committee also heard evidence indicating community support for closure of the road during construction. Based on the evidence provided, the estimated construction cost savings, and the convenience of a shortened construction time coupled with alternative routes available for the road users in the region, the Committee recommends the Department should seriously consider full closure of the road during construction, when required, to realise the cost and time saving benefits.
- 6.5 Accordingly, the Committee recommends the Tasman Highway – Sideling Upgrade, at an estimated cost of \$50 million, in accordance with the documentation submitted.

**Parliament House
Hobart
2 March 2022**

**Hon Rob Valentine MLC
Chair**

