



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Highland Lakes Road Upgrade

*Presented to Her Excellency the Governor pursuant to the provisions of the
Public Works Committee Act 1914.*

MEMBERS OF THE COMMITTEE

Legislative Council

*Mr Farrell
Mr Valentine*

House of Assembly

*Mrs Rylah (Chair)
Mr Llewellyn
Mr Groom*

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1 INTRODUCTION

To Her Excellency Professor the Honourable Kate Warner AC, Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY

The Committee has investigated the following proposal:-

Highland Lakes Road Upgrade

and now has the honour to present the Report to Your Excellency in accordance with the Public Works Committee Act 1914 (the Act).

2 BACKGROUND

- 2.1 This reference recommended the Committee approve works to seal the remaining gravel sections of Highland Lakes Road.
- 2.2 Highland Lakes Road (also known as Lake Secondary Road) is an important link in the Tasmanian State Road Network. It is 156 kilometres long and runs from the Midland Highway at Melton Mowbray (approximately 70 kilometres north of Hobart) to the Meander Valley Highway in Deloraine (approximately 50 kilometres west of Launceston). As well as providing access to the Central Highlands, Highland Lakes Road provides an alternative route to the more commonly used Midland Highway - Bass Highway route from the South to the North West region of the State.
- 2.3 The Highland Lakes Road Upgrade forms part of the Visitor Infrastructure Upgrade Program. The Tasmanian Government has identified the visitor economy as a strategic economic growth opportunity for the State and the beauty of the Tasmanian environment is widely marketed. Increased visitor demand will require localised infrastructure upgrades at popular sites, particularly in regional areas. Highland Lakes Road is an increasingly popular drive for visitors and sections of the road have been progressively sealed. A sealed road surface provides a greater level of safety, particularly for visitors.
- 2.4 The remaining road sealing works extend from the end of the seal just north of the Great Lake Hotel at Miena to the start of the sealed section at Brandum Bay and from the end of the existing sealed section at Breona to the start of the sealed section at the Great Lakes lookout at Haulage Hill.
- 2.5 Specifically, the works involve upgrading three sections of Highland Lakes Road from:
 - Miena at the end of the existing seal north of Great Lake Hotel to the Liawenee Canal Bridge, a length of 9.33km;

- The Liawenee Canal Bridge to the start of the sealed section at Brandum Bay, a length of 9.6km; and
- The end of the existing sealed section at Breona to the start of the sealed section at the Great Lakes lookout at Haulage Hill, a length 1.65km.

2.6 The upgrade works include:

- 3.0m sealed lanes along the entirety;
- 0.5m sealed shoulders and 0.5m sealed verges from Miena to Brandum Bay;
- 0.3m sealed shoulders from Breona to Haulage Hill; and
- A granular pavement overlay on top of the existing gravel road to improve pavement strength and to correct horizontal curve cross falls.

3 PROJECT COSTS

3.1 Pursuant to the Message from Her Excellency the Governor-in-Council, the estimated cost of the work is p50 \$8.76 million - p90 \$8.92 million.

The following table details the cost estimates for the project:

| Costs | |
|-------------------|-------------|
| Development Phase | \$128,580 |
| Delivery Phase | \$448,094 |
| Total Costs** | \$8,619,267 |

4 EVIDENCE

4.1 The Committee commenced its inquiry on Friday, 8 September last with an inspection of the site of the proposed works. The Committee then returned to the Great Lake Community Centre, Miena, whereupon the following witnesses appeared, made the Statutory Declaration and were examined by the Committee in public:-

- Greg Fox, Project Manager, Department of State Growth;
- Frank Giana, Project Director, State Roads, Department of State Growth; and
- David Connelly, Project Engineer, Pitt&Sherry.

Overview

4.2 Mr Fox provided an overview of the proposed works:

Mr FOX - A general outline is the Highland Lakes Lake Secondary Road from Miena to Haulage Hill. This project is under two separate contracts. The first contract is for the Miena to Liawenee section with two separate portions. Separate portion A has already been completed, separate portion B commences in October 2017, with the second contract being for the Liawenee canal to Haulage Hill. The second contract will also commence in October this year.

The project will basically be the culmination of sealing Highland Lakes Road all the way from Melton Mowbray to Deloraine. It has become a very highly sought after tourist road over the last three to five years and timely this sealing is now taking place all the way through.

Benefits of the Works

4.3 In its submission, the Department of State Growth noted that sealing the remaining unsealed sections of Highland Lakes Road “provides a greater level of safety, particularly for visitors.”¹ The submission also highlighted a range of benefits, such as improving access, usage and connectivity, reducing the impact of the road on the surrounding environment, reducing maintenance costs, and economic benefits:

- *Improved access for all road users*
- *Increased usage of the road particularly by tourists but also by some commercial vehicles travelling between the South and North West of Tasmania with flow on economic benefits to the region*
- *Environmental benefits*
 - Reduction in generation of road dust under dry conditions with improvement in water quality for adjacent residents who rely on tank water collected from roof tops.*
 - Reduction in dust impacts on roadside flora*
 - Reduction in erosion and sediment build up in adjacent watercourse*
 - Gravel loss from the road surface will be eliminated. The road is re-sheeted on an annual basis to replenish gravel that is lost due to the action of road traffic and maintenance grading operations that tend to push gravel*

¹ Lake Secondary Road Miena to Haulage Hill Road Sealing – Submission to the Parliamentary Standing Committee on Public Works – Department of State Growth, August 2017, page 1.

to the road verges over time. The majority of this gravel collects in roadside drains and watercourses with ongoing impacts on water quality.

v. The section of the Lake Secondary Road from Liawenee to Reynolds Neck is within the Tasmanian Wilderness World Heritage Area and the reduction in dust, erosion and sedimentation are particularly important outcomes in this area which has high environmental values. The road sealing will eliminate the future need for road re-sheeting. Whilst the pavement will require strengthening with pavement material the amount required is equivalent to the quantity used for re-sheeting over a period of approximately three years. Over a 30 year pavement life the amount of re-sheeting material saved is approximately 100,000 cubic metres which is a substantial quantity. This material is currently obtained from local gravel pits and the reduction in extraction of gravel from these sources is a major environmental gain.

- Social benefits of sealing the road arise from the improved reliability and predictability of the road surface helping to reduce the isolation of the region and improve connectivity within and to, the region.
- Economic benefits will result from a reduction in maintenance costs with road grading and resheeting being regular activities several times per year. There will also be substantial travel time savings because of the increased travel speeds that will apply on the sealed surface.
- A further economic benefit will result from increased visitors to the area. A sealed surface will permit use by hire cars and more locals will be encouraged to use the road as an alternative route between Melton Mowbray and Deloraine. Whilst travel time between Melton Mowbray and Deloraine via the Midland Highway and Bass Highway is approximately 15 minutes shorter than the Highland Lakes route, the travel distance via the Highland Lakes Road is approximately 12 kilometres shorter.²

Fitting the Project to the Budget

4.4 The Committee noted the budget for the project and sought further information on whether the proposed budget was sufficient to undertake the proposed works. The witnesses indicated that it was adequate to undertake the sealing works, but some trade-offs had been made to ensure the entire sealing works could be completed within the budget, noting that the costs of pavement materials and the bitumen seals comprised up to \$6 million of the estimated costs for the project:

Mr LLEWELLYN - Do you feel the \$8.6 million will adequately cover the costs of the road?

Mr CONLEY - It is pretty bare bones. This is a tight budget. Ultimately, that is for sealing 22 kilometres of road. It is limited. In a perfect world, we would like to do more with things like safety barriers in some areas - perhaps a little better standard, perhaps some more drainage work. You could always say that is on the wish list but fundamentally it was make the work fit to the \$8 million.

We are putting the minimum amount of pavement material on the road. We believe it is a pretty strong road - a pretty well-built road, generally speaking - but, in a theoretical sense, we are probably on the limit of what depth of gravel ought to be put on there. One of the

² Ibid, page 1-2.

challenges is that the road, because it has been graded over many years, has an overly steep crossfall. It has 7 or 8 per cent. In some places it has 10 to 12 per cent of crossfall side slope on the road which, once you seal it, you could not seal it at those slopes because in icy conditions vehicles would slide off. We have had to correct the shape, and you use quite a lot of material in doing that.

That means on the outside of the roads we are getting more pavement depth, but more in the middle of the road we are not able to put as much on. These are the compromises we have had to make. Hence, \$8 million is a challenge but we retain a little bit of contingency and we have, I guess, adjustments we can make. As the work proceeds, we believe we can keep it within the budget. There is no spare cash.

Mr LLEWELLYN - You are saying there have been some compromises you have had to factor in to meet the budget?

Mr CONLEY - Yes, we have had to make it fit.

Mr LLEWELLYN - With regard to road construction material, was that any problem? Where did you source that from? Was it local?

Mr CONLEY - I think it came from Deloraine, but do not quote me absolutely on that. The company doing the work was Gradco. There is very little locally available material of the required specification quality.

Mr LLEWELLYN - So that would have been one of the major expenses then?

Mr CONLEY - Yes, that is the big-ticket item - the pavement material.I cannot recall exact volumes but that is a big cost. The sealing cost is fairly significant as well because ultimately we are putting two seal coats on. There is what we call a primer seal, which goes down for about 12 months, and then there is second seal coat that will go over that, and that is to cover the whole 21 to 22 kilometres. The second seal coat itself is over \$1 million so the combined cost of the bitumen is approaching \$2 million. The pavement material itself would be over \$3 million - probably closer to \$4 million, I reckon.

Haulage Hill

4.5 The Committee noted that Haulage Hill was a very difficult section of the road for drivers to negotiate, especially for heavy vehicles, as it consisted of three severe hair pin turns on a steep slope. The Committee was also aware that some members of the local community had suggested that the Haulage Hill section should be straightened. The Committee sought further information from the witnesses on what, if any, work had been done to assess the feasibility of straightening the road through Haulage Hill:

Mr SHELTON ... My last question is to do with Haulage Hill from the Deloraine end. As an ex-mayor of the Meander Valley Council, the Haulage Hill section has been talked about for a long period of time.I understand this contract is for sealing, but there are people in the community who have suggested we just put a road straight over the top. That would be at a substantial cost. My question is: through this project, do you know of an instance previously where somebody has looked at Haulage Hill and the best way to overcome the issues of Haulage Hill?

Mr FOX - Under this project, it was not a design element or design option that was considered. I came into the project, it was handed over to me, and as far as I am aware, it was not considered as a design option.

In the past, design options may have been looked at in relation to that. The area from the top of the lookout down represents a significant steep grade, approximately 7 per cent, as shown in the brief drawing. Apart from that, under this project, it has not been looked at as an option at this point. Could it be in the future? Possibly.

Mr GIANA -I vaguely recollect that when we first started doing work north of Haulage Hill - it must be going back almost 20 years - options were looked at the time but the cost was a significant burden, even when we probably had better budgets than we have nowadays. That is a vague recollection; I cannot be a 100 per cent sure.

Mr CONLEY - To give that recent history to 2007-08, a design was probably prepared for Haulage Hill. We spoke about it earlier. It more or less stayed on the hairpin bends, but widened them and endeavoured to get a higher design speed through there.

It was not affordable under this project. At the time that was looked at, I believe a number of options were looked at for Haulage Hill, and they arrived at staying on the existing alignment. I am fairly sure other options were considered at the time as well, so that information, if people wanted it, could be tracked down.

Mr SHELTON -I mentioned that Haulage Hill was designed originally back in the construction of the hydro scheme and so forth, when trucks were six and seven tonnes and were very underpowered. The gradients to get around there at their lower end, at the two U-turn bends, for trucks of significant size now or caravans et cetera, create somewhat of a safety issue when you are turning around there. A straight road would be safer but, of course, if the gradients were outside any design limit, that takes that option off the table.

Mr CONLEY - We think they would get quite challenging. Greg tabled the A to B, straightest journey, 7 to 8 per cent, but we know the gradients in very short sections around the inside of the curves at Haulage Hill are very steep. You can see where heavy trucks spin their wheels a bit.

Mr SHELTON - They do, on the inside there is significant cramping of the wheels and therefore corrugations, and then it gets worse.

Mr CONLEY - Yes, on the inside. That is part of the grade problem and in an effort to straighten it out, you have to make the road steeper somewhere else, or do more earth works. We have attempted to deal with that where there is minor regrading, if you like, and asphalt surfacing, but they are still going to be fairly steep. I think that is the whole challenge with Haulage Hill. Ultimately, those grades are quite challenging.

Visibility of Road Markings

4.6 The Committee noted that white road markings may not be visible in areas subject to snow, such as on Highland Lakes Road. The Committee questioned the witnesses on whether yellow line markings had been considered instead:

Mr SHELTON -A couple of technical questions: during the briefing I mentioned yellow lines. Has that matter been looked at, particularly in areas where it does snow - putting yellow lines on roads instead of white?

Mr CONLEY - My understanding is that it has been considered. The policy of the department is the orange high-visibility guide posts perform the function. That is the appropriate treatment and white lines are the standard throughout Tasmania.

Consultation

4.7 The Department's submission highlighted that extensive consultation had been undertaken. Specifically:

The Department consulted with a number of stakeholders during the planning, design and construction phase of the Miena to Liawenee stage of the project. Consultation was undertaken with adjacent landowners and the Central Highlands Council to discuss how the road works would affect their properties.

The consultation during the planning phase also included letters and emails to adjacent landowners, local bus operators, transport operators and associations, heavy vehicle operators and the Central Highlands Council. In addition, advice was also sent to emergency services, local businesses in the region and the local visitor information centre prior to road works commencing.

Further stakeholder engagement activities are planned for the next stage of works from Liawenee to Haulage Hill, including an information flyer to be mailed to adjacent landowners and approximately 300 nearby shack owners and local businesses. Start of works information will also be published in the Central Highlands Newsletter.

Information about the project has been on the Department's road project webpage since March 2015 during the planning phase of the project and has been regularly updated as the project has progressed. <http://www.transport.tas.gov.au/road/projects>

The key stakeholders for the road sealing works between Miena and Haulage Hill are:

- Adjacent landowners
- Shack owners nearby to the road works sites
- RACT
- Tasmania Farmers and Grazers Association (TFGA)
- Department of Primary Industry Parks Water and Environment
- Central Highlands Council
- Public utilities
 - Hydro Tasmania
 - Telstra
- Heavy vehicle Industry
- Transport associations
- Emergency services
- Local visitor information centre
- Local bus operator: GL & IS Glover
- The Great Lakes Hotel, General Store and Thousand Lakes Lodge³

Referral of the Project to the Public Works Committee

4.8 The Committee understood that the project had already commenced, with Separable Portion A of the Miena to Liawenee road sealing already completed. Originally, the project did not involve sealing all the remaining gravel sections of the road and the budget did not meet the \$5 million threshold for referral to the Committee.

4.9 However, after the project had commenced, additional funding was provided to expand the scope of the works. The Committee noted that the additional funding

³ Ibid, page 8.

allowed for the sealing of all remaining gravel sections of the road, however this pushed the project over the \$5 million threshold, thereby triggering the project's referral to the Committee:

Mr SHELTON -A technicality as far as the paperwork goes from Miena to Haulage Hill. The reality is that there is substantial work only on the road preparation from Miena out. They have been working on the road, the culverts have been done and there has been gravel coming up and down Poatina, preparing the road for sealing.

Mr CONLEY - That 4-kilometre section was done over the summer.

Mr LLEWELLYN - The technicality is that we are looking at this project now as a whole. In reality some of it has already been done.

Mr CONLEY - Correct, been built, yes.

Mr GIANA - A contract is already out, which is over two years, and in the first ever contract, they did a lot of the culvert widening for the second years' worth of work. That is probably what you have seen. That preparation for this summer's work under the contract is already in place.

Mr LLEWELLYN - The reason the Public Works Committee was not involved was because the expense for that section was under the requirement?

Mr FOX - Correct. When the additional funding was approved, it pushed over the threshold and triggered the Parliamentary Standing Committee. It is an unusual situation where we are looking at a project that is already underway.

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

4.9 In assessing any proposed public work, the Committee seeks assurance that each project is a good use of public funds and meets identified needs. The Committee sought confirmation from the witnesses that the proposed works were fit for purpose and a good use of public resources:

DEPUTY CHAIR - There are a final couple of questions that come out of the act which Public Works is established under, to establish that this is a good use of public money. Would you think this project is a good use of public money?

Mr FOX - yes, I believe so.

DEPUTY CHAIR - Excellent. Do you believe the work being undertaken will be fit for purpose?

Mr FOX - Yes, we do.

5 DOCUMENTS TAKEN INTO EVIDENCE

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

- Lake Secondary Road Miena to Haulage Hill Road Sealing – Submission to the Parliamentary Standing Committee on Public Works – Department of State Growth, August 2017.

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 result in the entire length of Highland Lakes Road being sealed.
- 6.2 Sealing Highland Lakes Road will improve the safety and reliability of travel for road users, reduce travel times and reduce road maintenance costs. There will also be environmental benefits through the reduction in erosion and dust generation, which will lessen the impact of the road on roadside flora, local water supplies and watercourses and the World Heritage area. The anticipated increase in usage, especially by tourists and commercial vehicles, will also provide economic benefits for the region.
- 6.3 Accordingly, the Committee recommends the Highland Lakes Road Upgrade, at an estimated cost of \$8.619 million, in accordance with the documentation submitted.

**Parliament House
Hobart
24 October 2017**

**Hon Craig Farrell MLC
Deputy Chair**