

## 7.10 C-7HHCR10 – Heavy Haulage Cost Recovery

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### **PART A- Policy**

#### **Objective**

The objective of this Policy is to provide a suitable framework and methodology for the recovery of maintenance costs caused by heavy haulage operations, excluding traditional agricultural produce (ie. grain, fertiliser, and stock, excluding feedlots of a scale that require a development application), within the Shire of Dandaragan's road network.

#### **Policy Statement**

This Policy applies to freight generators that undertake heavy haulage operations, either in-house or by engaging contractors, operating a Restricted Access Vehicle (RAV) to run a defined vehicle freight task, excluding traditional agricultural produce, on the Shire of Dandaragan's road network.

Council recognises that it is unreasonable for its communities to bear these ongoing associated costs of intensive heavy haulage which exceeds the design capacity of the road network and acknowledges that expenses need to be recovered from heavy haulage operations at a fair and reasonable rate to offset additional maintenance costs and the reduction in the life of roads within its network.

This policy will apply to all new applications for RAV permits that are referred by Main Roads WA to the Shire for input and to all roads that have a CA07 condition of access that requires the party to obtain a letter of approval from the Shire. The Shire will also apply the policy to new planning applications where applicable.

The operations of heavy haulage must be deemed to involve such a volume (Refer to Definitions in Part B - Extraordinary Load), that it is likely to cause damage resulting in extraordinary expenses for damage that is considered well beyond what would normally be anticipated for the category of road/s concerned.

## PART B - Management Procedures

### Definitions

Agreement	Means an Agreement formally entered between the local government authority and the freight generator defining the conditions of access, including charges for a defined transport task.
Annual Design ESA (ADESA)	Means the predicted annual ESA that was used to design a road pavement structure. If this is unknown it may be estimated based on the average annual ESA from historic traffic counts or the annual ESA that would reasonably be expected for a particular category of road under normal circumstances.
Authority	Means the authority to enter into an agreement with a freight generator under this Policy shall be approved by the Chief Executive Officer
Equivalent Standard Axle (ESA)	Means the number of standard axle loads which are equivalent in damaging effect on a pavement to a given vehicle or axle loading. Every vehicle combination can be expressed as a number of ESA.
Extraordinary Load	Means a defined freight task that will likely result in a significant increase in the ADESA resulting in damage to the road pavement and reduction in the structural design life of the road giving rise to extraordinary expenses as a result of increased routine and planned maintenance and premature failure necessitating rehabilitation or reconstruction of the road.
Freight Generator	Means the proponent that undertakes heavy haulage operations, either in-house or by engaging contractors, that is requesting to use a local government road for a defined freight task.
Routine Maintenance	Means unplanned activities that maintain the serviceability of the road such as potholes, cleaning drainage structures, repairing edge breaks and sweeping pavements.
Preservation	Planned maintenance and rehabilitation that are designed to preserve or extend the serviceable design life of the road such as cracked seal, resealing with a bituminous sprayed seal, rehabilitation of gravel shoulders, and replacing culverts and kerbs.

### Detail

This Policy applies to any freight generator undertaking heavy haulage operations, either in-house or by engaging contractors, and plans to run a defined vehicle freight task on the Shire of Dandaragan's road network, with the exclusion of traditional agricultural produce.

All freight generators shall be requested to provide the following information to the Shire of Dandaragan:

1. The type and axle configuration of the vehicles to be used for the task
2. The annual freight tonnage for the task and the vehicle payload
3. The number of daily vehicle passes
4. The duration of the task; and

## 5. The task routing and distance

Additionally, if the Shire of Dandaragan considers that the defined freight task is likely to affect roads in adjoining local government authorities (LGA's), it has an obligation to notify the impacted LGA's accordingly.

### **Extraordinary Load**

An Extraordinary Load is defined as a task that will result in a significant increase in the Annual Design ESA (ADESA) with the potential to cause damage to the pavement and reduction in the structural design life of the road leading to extraordinary expenses.

An Extraordinary Load is assigned a nominal value of an annual ESA that is greater than 50% of the ADESA for the category of road concerned. The Shire may decide that a different percentage is more appropriate depending on the individual circumstances. A lower percentage or a sliding scale may be deemed appropriate in circumstances where it is clear that the task is likely to cause damage resulting in extraordinary expenses.

The ADESA shall be determined using one of the following methods:

1. Historical pavement design information.
2. Engineering assessment based on traffic counts, pavement structure and condition performance.
3. From figures provided in Table 1 below:

<b>Road Category</b>	<b>50% ADESA</b>
Access road	400
Local distributor	2000
Regional distributor	12000
District distributor	40000

<sup>1</sup>WALGA & ARRB 2015, adapted from Table C.1

### **Cost Calculation**

The relevant charge applied to each freight generator shall be calculated using the following industry resources:

- *User Guide – Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks (WALGA & ARRB 2015 Version 1);*
- *User Guide – Estimating the Incremental Cost Impact on Unsealed Local Roads from Additional Freight Tasks (WALGA & ARRB 2015 Version 1)*

This method of calculation, based on all the relevant information provided to the Shire of Dandaragan by the freight generator, will be applied to all road surface types (ie. sealed and unsealed). The total annual ESA used to calculate the charge shall be the proposed annual ESA minus the applicable 50% ADESA or other appropriate percentage.

Escalation will be applied using a recognised index.

### **Conditions of Negotiation**

The following conditions may necessitate negotiation with a freight generator to adjust the calculated charge or to use an alternative methodology:

- If the category of the road has been purposely constructed to a level that is suitable for the proposed heavy vehicles movements

- If the road is in a very poor or failed condition, then the Shire of Dandaragan shall negotiate with the freight generator on a strategy and cost to bring the road to a serviceable condition before calculating a charge and permitting use of the road.
- If the magnitude of the freight task is of such a volume that the road is likely to experience structural failure in a short period, then the Shire of Dandaragan shall negotiate an appropriate strategy and charge to upgrade the structural capacity of the road in advance. This will result in an increased ADESA which will then be used to calculate the ongoing charges; and
- If the proposed ESA are excessively above the limits of the *WALGA User Guide*, or if for any other reason this method is deemed inappropriate, then the Shire of Dandaragan may elect to calculate the charge using an alternative method to be determined under the authority of the Shire's Chief Executive Officer.

## **Funding and Service**

Funds collected from heavy haulage operations shall be placed into a dedicated fund and shall only be used for routine maintenance, preservation, and structural strengthening activities on the section of road concerned.

The Shire shall keep records of all works and costs with Council contributing a portion of the cost of works out of its own funds according to what it would have reasonably allocated to the road if the heavy haulage operations activities were not present.

After termination or expiry of an Agreement, any remaining funds shall be kept for a period of 12 months (or other agreed period), after which the road will be inspected, and the remaining funds used to repair any defects so that the road is in a similar condition to when the Agreement began. Any remaining funds shall then be returned to the freight generator.

## **Agreement**

The Shire of Dandaragan and the freight generator shall enter into an Agreement that includes the following:

1. The type and axle configuration of the vehicles to be used for the task
2. The annual quantity of vehicle passes and the payload tonnage. If seasonal then this must be described
3. The route, including return journeys
4. The duration of the task
5. The annual and unit rate charge and method of calculation
6. Payment terms and conditions
7. The obligations of the parties, including works records, expenditure, evidence and audit requirements in relation to the determination of actual payload tonnages and notifications of changes to vehicles, payload and routing
8. Conditions on expiry of the Agreement
9. Hours and conditions of operation
10. Breaches and terms of remedy for the Shire of Dandaragan and freight generator
11. Duties of the Shire of Dandaragan and freight generator

## **Duties of Local Government**

The Shire of Dandaragan will take all reasonable steps to keep the road in a serviceable condition for the duration of the Agreement with appropriate records to be maintained to ensure transparency of expenditure of all collected charges.

### **Duties of the Freight Generator**

The freight generator will provide timely notification to the Shire of Dandaragan if there are any changes to the types of vehicles and axle configurations, annual payload and routing as determined by the Shire and set out in the Agreement.

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