

Message

From: Cotter, Tim [Tim.Cotter@industry.gov.au]
Sent: 26/03/2020 2:40:13 PM
To: Alistair Innes-Walker [alistair.innes-walker@nirc.gov.nf]
CC: Bruce Taylor [bruce.taylor@nirc.gov.nf]
Subject: RE: Norfolk Island Project Updates [SEC=UNCLASSIFIED]
Attachments: image004.png

Thank you for the update Alistair. Please keep in touch with any updates or assistance you require.

Regards

Tim

Tim Cotter

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UNCLASSIFIED

From: Alistair Innes-Walker [mailto:alistair.innes-walker@nirc.gov.nf]
Sent: Thursday, 26 March 2020 12:09 PM
To: Cotter, Tim <Tim.Cotter@industry.gov.au>
Cc: Bruce Taylor <bruce.taylor@nirc.gov.nf>
Subject: Norfolk Island Project Updates

Hi Tim

As discussed all projects on the Island have been significantly impacted by the State of Emergency declared on Norfolk Island and the subsequent requirement that visitors to the Island must now go into 14 day isolation before they can work in the community. This has also been exacerbated by the situation in Australia, and overseas – some workers are choosing to stay in Australia with their families and/or if on Island are, where possible, returning to Australia/overseas.

At this time it is difficult to quantify what this means in terms of time and cost delays that will impact on completion and final spend. We are in discussions with the various contractors to develop best/worst case scenarios, and will advise the various funders once we have some certainty.

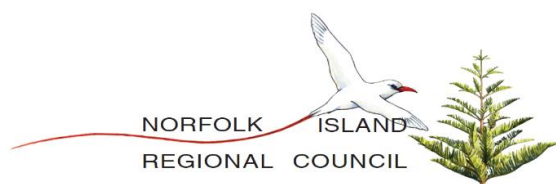
Commentary on Individual Projects

1. Airport Reseal – Isolation requirements and the recent cyclone that passed Norfolk have created delays in unloading the bulk storage freighter, the completion of the apron concreting and commencement the runway reseal. The Groyne in Ball Bay was washed away and has had to be rebuilt. Council's Project Manager is also in isolation. Boral are currently preparing a "Change in Law clause" variation for additional time and cost, arising from the State of Emergency declaration. Once known I will advise. Subject to the previous, efforts are being made to do as many aspects of the contract in parallel to try and keep the project program on schedule. I do believe it is inevitable that there will be delays in the project's completion. The Biosecurity costs for this project also appear to be ~\$4-4.5M. This was unfunded provision in the contract ie at the time the contract was signed Boral were unable to quantify what the actual Biosecurity cost would be due to lack of guidance and consistency from Dept of Agriculture. A separate paper will be prepared outlining Boral, and the Council's concerns about the excessive costs imposed as a result of actions/or lack of, by the relevant Dept.
2. Future Proofing Project –key staff from the contractor have been unable to get to Norfolk. Local staff have also been caught up in undertaking repairs arising from the recent cyclone. Work on installing infrastructure is proceeding as scheduled, but will stall until the relevant personnel can get to Norfolk to commence the testing, commissioning & training aspects. The contractor is scoping out likely scenarios & impact on the project schedule. Again I think there will be delays on the projects completion date, plus a significant hit to the budget as contract payments are in USD. Council's capacity to access the additional funds is limited, so a request for more commonwealth support may be forthcoming.
3. Airport Security Equipment – the order has been placed for the installation of the required security equipment (\$405k). The supplier has confirmed the manufacturing is still on schedule for completion in August but there is uncertainty on how soon they can freight the equipment to Norfolk, and then I they are able to get staff here to do the installation.
4. Airport Master Plan – this project is not directly impacted by either the state of emergency or cyclone. It is progressing as per schedule

If you require any further information let me know.

Keep safe

Alistair



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