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28 April, 2020

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 Manager Commercial Services  
 Norfolk Island Regional Council  
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Dear Mr Innes-Walker and Moss,

**Contract:** Norfolk Island Airport Contract SPT171819NIRC ("Contract")  
**Contractor:** Boral Resources (Qld) Pty Ltd ("Boral")  
**Principal** Norfolk Island Regional Council ("NIRC")

#### **Contractor's Notice under clause 49.4 and 51 – Revised Claim for Delay Costs**

Further to the contract notices dated 20 March 2020 and 16 of April relating to a Change in Statutory Requirements and subsequent agreement by NIRC and the following notices of a Claim for an Extension of Time, Boral sets out for NIRC's review and approval the revised costs that have been incurred as a direct result of the COVID-19 Restrictions.

Based on a detailed review of the program through the individual activities identified and identification of only critical path activities the following activities were identified as critical and also associated directly with this claim:

1. Lockdown of the GCR crane operator 2 days
2. Isolation of the ac crew 14 days

These changes provide a revised total of 16 days delay based only based on the identified activities. Boral clarifies that it expects that future activities will also be added into this or other similar claims associated as they may be subject to the same conditions. This claim does not restrict in any way, Boral's ability to claim further delay costs associated with the COVID-19 restrictions.

#### **Adjustment to previously Claimed Costs**

The adjustments in costs were associated with the following items:

- the 2 days of meals supplied by NIRC at no costs and a reduction from 14 days to 12 days for the meals supplied
- an adjustment of the days from 48 previously claimed to the revised proposed total of 16 days

#### **Adjustment to previously Claimed Time**

The adjustment to the previously stated 48 days were associated with the following items:

- the extension of time for the concreters is not on the critical path and is not claimable (14 days)
- there was float in there for 8 days where there was a delay between the ac crew coming from isolation to the commencement of the paving trials
- there was a further 10 days in there around the linemarking for completion

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As was the case with the Biosecurity requirements Boral is focussed on the ensuring value for money for NIRC and the project. This has been demonstrated by Boral receiving commentary from the PMCA and reviewing, in detail and revised the costs associated. This revised claim for associated costs has been presented in a similar format to those presented as part of the most recent claim dated 16 April. These costs have been included in this document for convenience.

Regards,

A handwritten signature in black ink, appearing to read "CJ", followed by a stylized flourish.

Chris Jeffery  
Senior Project Manager – Asphalt (South Qld)  
**Boral Resources (Qld) Pty Limited**

| Revised Delay costs associated with Covid-19 isolation requirements                                      |        |       |           |        |                     |
|--|--------|-------|-----------|--------|---------------------|
|  | Number | Days  | Rate      |        | Total               |
|  |        |       | Value     | UOM    |                     |
| <b>Asphalt work crew isolation</b>   |        |       |           |        |                     |
| Salary staff (TB)  | 1      | 12    | \$ 750    | Day    | \$ 9,000            |
| Wages employees (Boral, Bitumill, Roadset, GCR)  | 17     | 12    | \$ 650    | Day    | \$ 132,600          |
| Accommodation  | 16     | 14    | \$ 75     | Day    | \$ 16,800           |
| Meals  | 16     | 12    | \$ 75     | Day    | \$ 14,400           |
| LAHA   | 16     | 14    | \$ 110    | Day    | \$ 24,640           |
| <b>Subtotal - Asphalt crew</b>   |        |       |           |        | <b>\$ 197,440</b>   |
| <b>Concrete work crew isolation</b>  |        |       |           |        |                     |
| Kraftcur isolation costs   |        |       | \$ 99,200 | LS     | \$ 99,200           |
| Kraftcur upproductive labour charge  |        |       | \$ 5,920  | 6 days | \$ 5,920            |
| Kraftcur QLD isolation (if required)   |        |       | \$ 88,000 | LS     |                     |
| Salary staff (MI)  | 1      | 12    | \$ 750    | Day    | \$ 9,000            |
| Wages employees (Fast Cut, Boral)  | 10     | 12    | \$ 650    | Day    | \$ 78,000           |
| Accommodation  | 21     | 14    | \$ 75     | Day    | \$ 22,050           |
| Meals  | 21     | 12    | \$ 75     | Day    | \$ 18,900           |
| LAHA   | 21     | 14    | \$ 110    | Day    | \$ 32,340           |
| <b>Subtotal - Concrete crew</b>  |        |       |           |        | <b>\$ 265,410</b>   |
| GCR isolation Costs ('TM)  | 1      | 3     | \$ 1,500  | Day    | \$ 4,500            |
| Accommodation  | 1      | 14    | \$ 75     | Day    | \$ 1,050            |
| Meals  | 1      | 12    | \$ 75     | Day    | \$ 900              |
| LAHA   | 1      | 14    | \$ 110    | Day    | \$ 1,540            |
| <b>Subtotal - Ship crew</b>  |        |       |           |        | <b>\$ 7,990</b>     |
| <b>Reduced utilisation of established staff</b>  |        |       |           |        |                     |
| Plant Operators (PS)   | 1      | 12    | 650       | Day    | \$ 7,800            |
| Wages employees (DE, WN)   | 2      | 12    | 650       | Day    | \$ 15,600           |
| Supervisor (TK, IK, CJ, SM)  | 4      | 12    | 750       | Day    | \$ 36,000           |
| Survey   |        |       |           |        |                     |
| Accommodation  | 7      | 14    | 75        | Day    | \$ 7,350            |
| Meals  | 7      | 12    | 75        | Day    | \$ 6,300            |
| LAHA   | 7      | 14    | 110       | Day    | \$ 10,780           |
| Vehicles   | 7      | 14    | 50        | Day    | \$ 4,900            |
| List all on island staff that have been underutilised during the 14day isolation period                  |        |       |           |        |                     |
| <b>Subtotal</b>  |        |       |           |        | <b>\$ 88,730</b>    |
| <b>Costs associated with program prolongation</b>  |        |       |           |        |                     |
| <b>Contractors Management Staff</b>  |        |       |           |        |                     |
| PM (CJ)  | 1      | 16    | \$ 900    | Day    | \$ 14,400           |
| PE (LS, TB)  | 2      | 16    | \$ 750    | Day    | \$ 24,000           |
| Supervisors (TB, IK, TK)   | 3      | 16    | \$ 750    | Day    | \$ 36,000           |
| Office Lease   | 1      | 16    | \$ 150    | Day    | \$ 2,400            |
| Accommodation  | 6      | 16    | \$ 75     | Day    | \$ 7,200            |
| Meals  | 6      | 16    | \$ 75     | Day    | \$ 7,200            |
| LAHA   | 6      | 16    | \$ 110    | Day    | \$ 10,560           |
| Vehicles   | 6      | 16    | \$ 75     | Day    | \$ 7,200            |
| <b>Subtotal - Management Staff</b>   |        |       |           |        | <b>\$ 108,960</b>   |
| <b>Equipment Standdown (Either daily subcontractor stand down cost or internal non-utilisation rate)</b> |        |       |           |        |                     |
| 2m Profiler  |        |       |           |        |                     |
| 1m Profiler  | 1      | 16    | \$ 6,380  | Day    | \$ 102,080          |
| Suction Sweeper x 2  |        |       |           |        |                     |
| Bobcat   |        |       |           |        |                     |
| Grooving Machine   | 1      | 0.533 | \$ 40,000 | month  | \$ 21,320           |
| Airport Safety   | 1      | 16    | \$ 935    | Day    | \$ 14,960           |
| Isotainers Bitumen   | 57     | 16    | \$ 16     | Day    | \$ 14,592           |
| Mobile Asphalt Plant   | 1      | 0.533 | \$ 85,000 | month  | \$ 45,305           |
| Heavy trucks   | 8      | 16    | \$ 200    | day    | \$ 25,600           |
| RP190 Paver  | 1      | 16    | \$ 400    | Day    | \$ 6,400            |
| RP175 Paver  | 1      | 16    | \$ 350    | Day    | \$ 5,600            |
| Steel Roller - HAMM  | 1      | 16    | \$ 350    | Day    | \$ 5,600            |
| Steel Roller - Dynapac   | 1      | 16    | \$ 350    | Day    | \$ 5,600            |
| Tack Coater  | 1      | 16    | \$ 700    | Day    | \$ 11,200           |
| Isotainers Cement  | 18     | 16    | \$ 30     | Day    | \$ 8,640            |
| Mobile Concrete Plant  | 1      | 16    | \$ 700    | Day    | \$ 11,200           |
| Concrete agitator x 3  | 3      | 16    | \$ 1,400  | Day    | \$ 22,400           |
| FEL  | 1      | 16    | \$ 650    | Day    | \$ 10,400           |
| Buildings  |        | 0.533 | \$ 4,065  | Month  | \$ 2,167            |
| Flatbed / Float  | 1      | 16    | \$ 150    | Day    | \$ 2,400            |
| Rentco side loader   |        | 0.533 | \$ 4,850  | Month  | \$ 2,585            |
| Boral side loader  |        | 0.533 | \$ 4,850  | Month  | \$ 2,585            |
| Service Vehicle  | 1      | 16    | \$ 250    | Day    | \$ 4,000            |
| Broom Trailer  | 1      | 16    | \$ 75     | Day    | \$ 1,200            |
| Water Cart   | 1      | 16    | \$ 250    | Day    | \$ 4,000            |
| Mobile Toilet  | 4      | 0.533 | \$ 498    | Month  | \$ 1,062            |
| Lighting Tower   | 1      | 0.533 | \$ 7,753  | Month  | \$ 4,132            |
| Light vehicles   | 6      | 16    | \$ 50     | day    | \$ 4,800            |
| Light trucks   | 2      | 16    | \$ 75     | day    | \$ 2,400            |
| <b>Subtotal - Equipment</b>  |        |       |           |        | <b>\$ 335,028</b>   |
| <b>Total</b>   |        |       |           |        | <b>\$ 1,003,558</b> |