

# Application RNIA000001

## Report Summary

**Report**

Progress report

**Report Type**

Progress

**Due Date**

30/04/2020 12:00:00 AM

**Status**

Approved

**Submitted Date**

28/04/2020 8:02:49 AM

**Submitted By**

Alistair Innes-Walker

**Report Accepted Date**

14/05/2020 4:47:00 PM

## Project progress

Complete the following table, updating for all milestones shown in the Activity Schedule of your grant agreement.

### 001 - Design/Site Preparation/Ball Bay Groyne works

**Description**

Commencement of site preparation, Construction of Ball Bay Groyne, Progression of design,

**Expected End Date**

30/09/2019

**Actual End Date**

30/01/2020

**Current % Complete**

100

**Progress Comments**

Ball Bay Groyne works complete - ongoing maintenance underway as and when required, Site preparation complete, Design complete, final documents being generated. minor additional cost being reviewed and negotiated.

**Agreed End Date**

30/09/2020

**Previous % Complete**

100

### 002 - Aggregate and airfield lighting delivery

**Description**

Receival of aggregate and airfield lighting delivery,

**Expected End Date**

24/04/2020

**Actual End Date****Current % Complete**

95

**Progress Comments**

7kt of material still on vessel Sesoda, Airfield lighting Constant Current Regulators (CCRs) enroute to Norfolk Island delayed due to COVID19

**Agreed End Date**

30/09/2020

**Previous % Complete**

100

**003 - Aggregate, equipment and bitumen delivery, commencement of airfield lighting works****Description**

Receival of aggregate, equipment and bitumen delivery, Commence installation of airfield lighting pit and duct system

**Expected End Date**

24/04/2020

**Actual End Date****Current % Complete**

95

**Progress Comments**

7kt of material still on vessel Sesoda, Airfield lighting Constant Current Regulators (CCRs) enroute to Norfolk Island delayed due to COVID19

**Agreed End Date**

30/09/2020

**Previous % Complete**

100

**004 - Bitumen delivery, Mobilisation and Commencement of Construction****Description**

Receival of bitumen delivery, Airfield lighting installation, Concrete production trial, Construction of first concrete apron parking bay

**Expected End Date**

1/04/2020

**Actual End Date**

1/04/2020

**Current % Complete**

100

**Progress Comments**

COVID 19 delays due to mandated 14 day self isolation. Contractor has submitted 48 day EOT claim relating to this change in statute law - State of Emergency with level 4 restrictions in place Lockdown

**Agreed End Date**

30/09/2020

**Previous % Complete**

100

**005 - Commissioning of Airfield Lighting and Construction of Airfield pavement**

**Description**

Commissioning of Airfield lighting installation, Construction of second concrete apron parking bay, Asphalt production trial, Asphalt paving, linemarking and flank filling

**Expected End Date**

31/07/2020

**Actual End Date****Current % Complete****Progress Comments****Agreed End Date**

30/09/2020

**Previous % Complete**

100

**006 - Grooving of Runway and demobilisation****Description**

Grooving of runway pavement, Demobilisation of plant and equipment

**Expected End Date****Actual End Date****Current % Complete****Progress Comments****Agreed End Date**

30/09/2020

**Previous % Complete**

100

**Where applicable, describe any project activities completed during the reporting period that are not captured in the table above.**

**Response is limited to 5000 characters (including spaces).**

The original contracted completion date was 10 August 2020. An inclement weather extension of time to the contract period has been sought and 61-day extension of time for Separable Portion 1 – Logistics and Preliminaries has been granted at this stage so Practical Completion is now 2nd April 2020 with a projected practical completion date of 10 October 2020. However, subsequent and ongoing delays have been experienced with unloading asphalt and concrete constituent materials.

Critical activities on the contract programme are the finalisation of the Bio-security Plan, maintenance of Ball Bay Groyne, the arrival of construction materials.

The contractor is currently on target to complete the airfield scope of works on Friday 31st July 2020.

**Main Contract**

The Contractor Management Plans have been submitted, reviewed and accepted for use. A purchase order has been raised for the procurement of long lead time Airfield Ground Lighting items.

**Airfield Lighting Detailed Design**

The Contractor has submitted the Detailed design for airfield lighting. Construction is underway with 95% of pit and duct installation to Taxiway and Runway 04/22 now complete.

**Quality Management**

The Contractor has submitted the Quality Management Plan and associated Inspection and Test Plans have been reviewed and finalised.

Quality audits will be undertaken regularly throughout the project delivery by Aileron Edge and accompanying NIRC representatives.

**Environmental Management**

An Environmental Management Plan (EMP) has been prepared by the Contractor. The client has reviewed and accepted the plan. The Contractor will also schedule audits and extend an invitation to the client to join the contractor on scheduled Audits. A follow up Audit was undertaken on 31st March 2020 with minor corrective measures taken. The Contractor's submitted and approved plan will continue to be implemented and monitored pending comments from the clients' Environmental officer. The Principals' representative will instigate regular environmental and safety audit of the site.

**Health & Safety**

The Contractor has submitted the Health and Safety Plan to the acceptance of the Principals' Representative. The plan has been implemented and is being monitored on an ongoing basis. No personal injuries were recorded in this reporting period.

**Traffic Management**

The Contractor has submitted the Traffic Management Plan. The plan is being implemented and monitored. No personal injuries were recorded in this reporting period.

A further vehicle movement plan for Separable Portion 2 Apron works has been implemented.

**Bio-security Plan**

The Contractor has been working on submitting a finalised Biosecurity Plan to the acceptance of Biosecurity and the Principals'

Representative. Revision 8 of the Plan is being implemented and monitored. The returning barge point of entry requirements have been stipulated requiring lifting points be fitted on all plant and equipment, lifting plans are being investigated.

#### Emergency Response Plan

The Contractor has met with Norfolk Island Emergency Responders and has submitted an Emergency Response Plan to the acceptance of Emergency Services and the Principals' Representative. The plan is being implemented and monitored. A follow up meeting with Emergency Responders was held on 29th January 2020. No further meetings are planned at this stage.

#### Method of Works Plan (MOWP)

Method of Works Plan has been developed and circulated for the project. A further revision is likely to amend forecast dates should the trans-shipment continue to be affected by inclement weather, and further COVID 19 delays eventuate.

#### Approvals

Council has obtained all the necessary approvals for the project. The conditions of approvals have been provided to the Contractor for implementation.

Maintenance activities are continuing on the Ball Bay Groyne and are being monitored, and reported, as required under the Marine Parks Permit issued to the NIRC.

#### Community Engagement

The Contractor remains concerned by potential hostilities on Norfolk Island. In terms of community engagement, the Contractor has met the community in small groups to provide them with information, Question & Answer factual summary sheets have been posted on the Council Website. The client representative has implemented a social media strategy.

#### Weather conditions

Trans-shipment works were delayed due to inclement weather these claims are being worked through with the Contractor and Principals' Representative.

#### State of Emergency (COVID19) Declaration

A State of Emergency Declaration by the Administrator on Monday 13th March 2020 has impacted the projects programme, construction methodology, and budget. The contractor is working through to quantify these impacts. Delays of between 29 and 49 days are likely. These impacts are being assessed.

#### Is the overall project proceeding in line with your grant agreement?

Yes

**If no, identify any changes or anticipated issues. Comment on any impacts on project timing and outcomes and how you expect to manage these.**

**Response is limited to 5000 characters (including spaces).**

Only those noted above as a result of inclement weather, finalisation of the Bio-Security Plan and the State of Emergency declared on Norfolk Island in response to COVID-19.

#### Are there any planned events relating to the project that you are required to notify us about in accordance with your agreement?

No

**If yes, provide details of the event including date, time, purpose of the event and key stakeholders expected to attend.**

**Response is limited to 5000 characters (including spaces).**

Initial planning for the official opening of the repaired Airport runway and apron has commenced. It is anticipated that this will occur sometime late - August but will be subject to what, if any, travel restrictions are in place at that time.

#### [To be answered annually and if applicable] Have you completed your Australian Industry Participation Plan implementation report?

**Response is limited to 5000 characters (including spaces).**

Advice received from AIP team is that if the project will be completed within two years from the execution of funding agreement date (which will be the case with this project), only one implementation report should be submitted within 3 months of project conclusion.

#### Have there been any serious injuries or a dangerous incidents that could have caused death or injury as a result of this project?

No

## Project outcomes

### Project outcomes

#### Outline the project outcomes achieved to date.

**Response is limited to 5000 characters (including spaces).**

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**Provide details of project KPIs and the extent to which these have been delivered to date****Response is limited to 5000 characters (including spaces).**

As at 27th February 2020 9,059 metric tonnes of material were still to be unloaded off the AC Sesoda ship. This will likely be unloaded by the end of April 2020.

As at the 31st March approximately 90% of the airfield lighting underground pit and duct system had been installed.

The lean mix concrete base for the Regular Public Transport(RPT) apron parking bays 1 & 2 had been placed, and temporary parking positions 3 & 4 had been established.

Asphalt production trials had been undertaken as part of the commissioning of the mobile asphalt batching plant.

Runway flanking(verge) placement trials had been successfully trialed.

No notable safety or environmental incidents had been observed.

**Project expenditure**

Provide the following information about your eligible project expenditure.

All expenditure should be GST inclusive, less GST credits you can claim. We may ask you to provide evidence of costs incurred.

Refer to the grant opportunity guidelines or contact us if you have any questions about eligible expenditure.

**ReportStartDate**

1/01/2020

**ReportEndDate**

31/03/2020

Head of Expenditure	Cost Type	Financial Year	Agreed project budget	Expenditure approved prior to this reporting period	Expenditure claimed in this reporting period	Expenditure claimed to date	Estimated expenditure for next reporting period [30/04/2019-18/12/2020]	Estimated total project expenditure
Eligible expenditure			\$44,619,450	\$11,844,624	\$8,993,678	\$20,838,302	\$27,420,058	\$48,258,360
	Audit		\$20,000	\$0	\$0	\$0	\$20,000	\$20,000
		2018/19	\$0	\$0	\$0	\$0	\$0	\$0
		2019/20	\$0	\$0	\$0	\$0	\$0	\$0
		2020/21	\$20,000	\$0	\$0	\$0	\$20,000	\$20,000
	Contract		\$44,599,450	\$11,844,624	\$8,993,678	\$20,838,302	\$27,400,058	\$48,238,360
		2018/19	\$2,500,000	\$0	\$0	\$0	\$0	\$0
		2019/20	\$39,201,443	\$11,844,624	\$8,993,678	\$20,838,302	\$0	\$20,838,302
		2020/21	\$2,898,007	\$0	\$0	\$0	\$27,400,058	\$27,400,058
	Domestic travel		\$0	\$0	\$0	\$0	\$0	\$0
		2018/19	\$0	\$0	\$0	\$0	\$0	\$0
		2019/20	\$0	\$0	\$0	\$0	\$0	\$0
		2020/21	\$0	\$0	\$0	\$0	\$0	\$0
	Equipment and vehicle costs		\$0	\$0	\$0	\$0	\$0	\$0
		2018/19	\$0	\$0	\$0	\$0	\$0	\$0
		2019/20	\$0	\$0	\$0	\$0	\$0	\$0
		2020/21	\$0	\$0	\$0	\$0	\$0	\$0
	Labour		\$0	\$0	\$0	\$0	\$0	\$0
		2018/19	\$0	\$0	\$0	\$0	\$0	\$0
		2019/20	\$0	\$0	\$0	\$0	\$0	\$0
		2020/21	\$0	\$0	\$0	\$0	\$0	\$0
	Other eligible expenditure		\$0	\$0	\$0	\$0	\$0	\$0
		2018/19	\$0	\$0	\$0	\$0	\$0	\$0
		2019/20	\$0	\$0	\$0	\$0	\$0	\$0
		2020/21	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$44,619,450	\$11,844,624	\$8,993,678	\$20,838,302	\$27,420,058	\$48,258,360

**What is the estimated eligible expenditure for the next reporting period?**

\$ 27,400,058

**What is the estimated eligible expenditure for remaining reporting periods in current financial year (if applicable)?**

**Response is limited to 750 characters (including spaces).**

NIL - next reporting period is in the next financial year (30 Sept 2020)

**What is the estimated total eligible expenditure for future financial years?**

\$ 27,400,058

**What is the estimated total eligible expenditure for the project?**

\$ 48,238,360

**Briefly explain the reason for any changes between the forecast and actual expenditure for the current reporting period, and any significant changes to the forecast budget for the remainder of the project.**

**Response is limited to 5000 characters (including spaces).**

The actual eligible expenditure for the current reporting period is \$8,993,678. The forecast in the last report for this period was \$19,099,314. The difference between the forecast and actual expenditure for the current reporting period is \$10.1M. The difference is primarily attributable to

- (i) the impact of the State of Emergency that was declared on Norfolk Island in response to the COVID-19 virus,
- (ii) the ongoing impact of inclement weather on unloading operations, and
- (iii) some realignment in the predicted spread of additional Bio-security costs, referred to in the last report

Specifically regarding items (i) & (ii), neither of these two (2) events were foreseen at the time the previous report was lodged. This has resulted in a significant adjustment to the project cashflow as costs are realised in next reporting period.

**Is the project expenditure broadly in line with the activity budget in the grant agreement?**

No

**If no, explain the reasons.**

**Response is limited to 5000 characters (including spaces).**

The reasons remain the same as outlined in the January 2020 Progress Report. "In their tender the principal contractor, Boral Resources, provided a qualification regarding unforeseen Biosecurity costs over and above standard industry accepted requirements. At the time of tender the Department of Agriculture and Water Resources were unable to confirm the specific requirements. On this basis Boral provided an estimate of \$4.2M for additional Biosecurity costs, which was not included in the tender/contract. Given Council were aware of these potential additional costs, and have made allowance for these in their internal forecasting, the project expenditure is broadly in line with the activity budget in the grant agreement. It is worth noting that negotiations are still ongoing between Boral and Agriculture regarding Boral being able to return equipment to Australia once the project is complete. This is potentially adding significant costs to the Project that will have to be borne unreasonably by the Norfolk Community."

The estimated Bio-security costs are now \$3,386,679, and the final costs for the return of Boral equipment to Australia have still not been finalised.

As noted above the major change has been in the timing of contractual payments, largely as a result of the State Emergency declared on Norfolk in response to COVID-19. This resulted in delays to work schedules arising from travel restrictions, and imposed isolation once Boral staff and contractors arrived on Island. Restrictions are now being lifted, all raw materials have been unloaded, and work has commenced on laying asphalt on the runway and concrete on the airport apron.

There has been a slight reduction in the Estimated Total Eligible Project Expenditure between the previous report (\$48,548,150) and reported above (\$48,238,360). This is the result of the exclusion of some additional non-eligible expenditure that was not recognised in the previous report. This expenditure is predominantly equipment that was bought to the Island by Boral at the request of Council and/or equipment that will be retained by Council after the contract is completed. This equipment is in addition to equipment deemed ineligible at the time the grant was awarded.

## Report finalisation

This page is in three sections.

- In the first section you can advise us if your bank details have changed.
- In the second section you should attach mandatory documentation.
- In the third section you should attach supplementary documentation

### Bank account details

**Have your bank account details changed since your last payment?**

*If yes, we will provide you with a form to complete your new bank details.*

No

### Required documentation

**Agreed evidence**

Attach any agreed evidence required with this report to demonstrate project progress.

**Supplementary documentation****Promotional material**

Attach copies of any published reports and promotional material, relating to the project.

20200416 Steering Group Meeting Minutes.pdf

Project Cost Summary\_31032020.xlsx

**Declaration**

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**Report Declaration**

I am authorised by the grantee to submit this report and certify that:

- the information in this report is accurate, complete and not misleading and that I understand the giving of false or misleading information is a serious offence under the *Criminal Code Act 1995* (Cth)
- the activities undertaken and the expenditure incurred is in accordance with the grant agreement
- I am aware of the grantee's obligations under their grant agreement
- I am aware that the grant agreement empowers the Commonwealth to terminate the grant agreement and to request repayment of funds paid to the grantee where the grantee is in breach of the grant agreement.

**By checking this box I agree to all of the above declarations and confirm all of the above statements to be true**

Yes