

Message

From: Cotter, Tim [Tim.Cotter@industry.gov.au]
Sent: 18/11/2019 4:34:30 PM
To: Alistair Innes-Walker [alistair.innes-walker@nirc.gov.nf]
CC: Kieren Moss [kieren.moss@aileronedge.com]
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]
Attachments: image004.png

Thank you, yes please submit.

Does the attachment - Schedule B line up with the new quarterly project budget estimates?

Tim

UNCLASSIFIED

From: Alistair Innes-Walker [mailto:alistair.innes-walker@nirc.gov.nf]
Sent: Monday, 18 November 2019 2:22 PM
To: Cotter, Tim
Cc: Kieren Moss
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Tim

That should be fine to retain the \$70k in 20/21 if it means not having to change the funding profile. As far as I can see this has no impact on the October report – can I submit this now?

Cheers
Alistair



Alistair Innes-Walker | Manager Commercial Services
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From: Cotter, Tim <Tim.Cotter@industry.gov.au>
Sent: Monday, 18 November 2019 12:13 PM
To: Alistair Innes-Walker <alistair.innes-walker@nirc.gov.nf>

Cc: Kieren Moss <kieren.moss@aileronedge.com>

Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Alistair,

We have a provision in the grant agreement that 1% of the total grant amount is withheld and paid on the approval of a Final Project report (\$430,000).

With the proposed amendment of total eligible expenses upwards by \$3m the proposal was to move the grant payments forward to see all grant payments made in the current financial year. I am writing to confirm that we are required to hold over \$430,000 until the 20/21FY as this will be when the final report is completed. To change to funding profile across Financial years is quite a task and may not be approved, so I need to check if NIRC are comfortable in having the \$70,000 that would be proposed to be brought forward into the current financial year remain in the next financial year.

As you have eligible project expenditure over and above the \$43m it would mean that NIRC would need to pay the \$70k due in 19/20 and we would pay the \$70k in 20/21 as well as the \$430,000 payable in 20/21.

I hope this make sense, if you can let me know if you are ok to leave the F/Y grant payment schedule as is:

18/19: \$2.5m

19/20: \$40m

20/21: \$0.5m

Give me a call if you would like to discuss.

Schedule B attached should reflect the quarterly spend as per updated table below:

	Eligible Expenditure	Grant Payments	
18/19FY	\$ -	\$ 2,500,000	
20/21FY	\$ 44,532,134	\$ 40,000,000	
1st q	\$ -	\$ -	
cumulative	\$ -	\$ -	
2nd q	\$ 15,391,279	\$ 12,891,279	Estimate minus \$2.5m advance
cumulative	\$ 15,391,279	\$ 15,391,279	
3rd q	\$ 16,386,923	\$ 16,386,923	
cumulative	\$ 31,778,202	\$ 31,778,202	
4th q	\$ 12,753,932	\$ 10,721,798	
cumulative	\$ 44,532,134	\$ 42,500,000	
	\$ 2,032,134		NIRC to pay in 20/21
21/22FY	\$ 3,087,316	\$ 500,000	
	\$ 2,587,316		NIRC to pay in 21/22
	\$ 4,619,450		NIRC to pay (mins ineligible)
Total eligible expenditure	\$ 47,619,450	\$ 43,000,000	
Total ineligible expenditure	\$ 298,557	\$ -	NIRC to pay
Total project costs	\$ 47,918,007		
	\$ 4,918,007		NIRC total project costs to pay

Regards

Tim

Tim Cotter

Regional Manager
Central Coast, Hunter and North Coast NSW
AusIndustry

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Industry Development Centre
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From: Alistair Innes-Walker [<mailto:alistair.innes-walker@nirc.gov.nf>]

Sent: Thursday, 14 November 2019 8:45 AM

To: Cotter, Tim <Tim.Cotter@industry.gov.au>

Cc: Kieren Moss <kieren.moss@aileronedge.com>

Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Tim

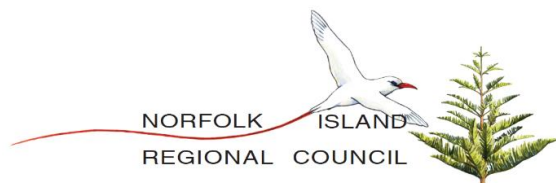
I agree with your numbers and have amended the October report accordingly.

I have also attached an updated version of the Attachment B – is this what you are looking for?

I will submit once you confirm you are ok with the amendments

Cheers

Alistair



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From: Cotter, Tim <Tim.Cotter@industry.gov.au>
Sent: Wednesday, 13 November 2019 5:58 PM
To: Alistair Innes-Walker <alistair.innes-walker@nirc.gov.nf>
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

	Eligible Expenditure	Grant Payments	
18/19FY	\$ -	\$ 2,500,000	
20/21FY	\$ 44,532,134	\$ 40,500,000	
1st q	\$ -	\$ -	
cumulative	\$ -	\$ -	
2nd q	\$ 15,391,279	\$ 12,891,279	Estimate minus \$2.5m advance
cumulative	\$ 15,391,279	\$ 15,391,279	
3rd q	\$ 16,386,923	\$ 16,386,923	
cumulative	\$ 31,778,202	\$ 31,778,202	
4th q	\$ 12,753,932	\$ 11,221,798	
cumulative	\$ 44,532,134	\$ 43,000,000	\$ 11,221,798
	\$ 1,532,134		NIRC to pay in 20/21
21/22FY	\$ 3,087,316	\$ 3,087,316	NIRC to pay in 21/22
Total eligible expenditure	\$ 47,619,450	\$ 43,000,000	
Total ineligible expenditure	\$ 298,557	\$ -	NIRC to pay
Total project costs	\$ 47,918,007	\$ -	
		\$ 4,918,007	NIRC total project costs to pay
		\$ 4,619,450	

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From: Alistair Innes-Walker [<mailto:alistair.innes-walker@nirc.gov.nf>]
Sent: Wednesday, 13 November 2019 1:31 PM
To: Cotter, Tim <Tim.Cotter@industry.gov.au>
Cc: Kieren Moss <kieren.moss@aileronedge.com>
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Tim

The reason I used the number for the end of May is that the June payment will in all likelihood be drawn down in July, the new financial year (20/21). I didn't do this for the previous quarters as they are in the same financial year (19/20), and any differences will be timing differences only, and will be caught up in the quarterly reconciliations.

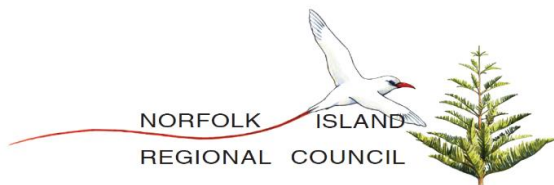
I have made changes to your table below to reflect what I think the eligible payments will be for those periods, based on the table I provided previously – I have attached an updated version where I have included the estimated Bio security payment in December .

I note that in your table;

1. the Q3 cumulative is for the period Jan-April
2. the Q4 cumulative is for the period May-June
3. The cumulative for Q2 is \$15,391,279 so rounding up to 15,500,000 is not acceptable?

Im happy to report the numbers however you want me to if it easier for you at your end...the end result is the same. Once you confirm how you want the numbers to be presented from a timing perspective I can update attachment B. I will also confirm at what point the ineligible expenditure will be incurred. I am guessing that you need to take that into account in the grant payments schedule even though now it makes no difference given total eligible expenditure will exceed \$43M with the inclusion of the Biosecurity costs.

Cheers
Alistair



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From: Cotter, Tim <Tim.Cotter@industry.gov.au>
Sent: Wednesday, 13 November 2019 1:07 PM
To: Alistair Innes-Walker <alistair.innes-walker@nirc.gov.nf>
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Alistair,

Here are the numbers I have based on the Boral Cashflow sheet you provided. You have used the cashflow number for end of Dec-19 being \$12,391,179 + \$3m (\$15,391,279) but have used the number for end of May **\$40,655,791 + \$3m (\$43,655,791)** instead of June which is **\$41,532,134 + \$3m (\$44,532,134)**. This throws off the figures.

Can you take a look and see what you think.

The evidence I am after is an update to the Attachment B and an indication of when the ineligible expenditure will be incurred. This related to some plant and equipment purchases.

F/Y	Eligible Expenditure	Grant Payments	Notes
18/19YF	\$ -	\$ 2,500,000	Paid in advance
20/21FY	\$ 44,532,134	\$ \$40,500,000	Total Payment in 20/21FY
1st q July – Sep 2019	\$ -	\$ -	Nil payment
Cumulative	\$ -	\$ -	
2nd q Oct – Dec 2019	\$ 15,391,279	\$ 12,891,279	Estimate minus \$2.5m advance
Cumulative	\$ 15,391,279	\$ 15,391,279	
3rd q Jan – Mar 2020	\$ 22,194,721 (AIW 16,388,923)	\$ 22,194,721	Estimate to be adjusted for previous period
Cumulative	\$ 37,586,000 (AIW 31,778,202)	\$ 37,586,000	
4th q Apr – June 2020	\$ 6,946,134 (12,753,932)	\$ 5,414,000	Estimate to be adjusted for previous period
Cumulative	\$ 44,532,134	\$ 43,000,000	Total grant payment
		\$ 1,532,134	NIRC to pay in 20/21 FY
21/22FY	\$ 3,087,316	\$ -	NIRC to pay in 21/22FY
Total eligible expenditure	\$ 47,619,450	\$ 43,000,000	Grant percentage now 90.3% from 96.37%
Total ineligible expenditure	\$ 298,557	\$ -	NIRC to pay when due
Total project costs	\$ 47,918,007	\$ -	
		\$ 4,918,007	Total NIRC to pay

I'm available this afternoon if you need to call.

Tim

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From: Alistair Innes-Walker [<mailto:alistair.innes-walker@nirc.gov.nf>]

Sent: Wednesday, 13 November 2019 8:48 AM

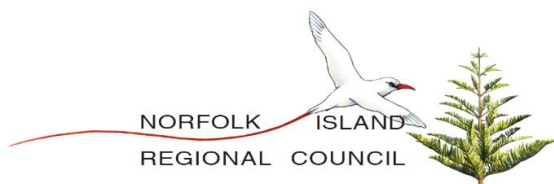
To: Cotter, Tim <Tim.Cotter@industry.gov.au>

Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Tim

See responses below. I have a meeting this morning but will try and call you after that

Cheers
Alistair



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From: Cotter, Tim <Tim.Cotter@industry.gov.au>
Sent: Tuesday, 12 November 2019 6:11 PM
To: Alistair Innes-Walker <alistair.innes-walker@nirc.gov.nf>
Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Alistair,

Are you able to confirm that the figures provided in the email below are the new project figures?

If so, these need to be provided in the progress report.

In the main table the \$47,619,450 is put in as \$47,619,540 – please amend. **DONE – MY DYSLEXIA KICKING IN**

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

\$

This leads to an anticipated next payment of \$15,500,000 - \$2,500,000 = **\$13,000,000**

This should align to the figure provided in the Boral Cash Flow (\$15,391,279) rather than \$15,500,000

\$15,391,279

(\$2,500,000)

\$12,891,279 grant payment GIVEN THE BIOSECURITY PAYMENT IS AN ESTIMATE ONLY I ROUNDED UP THE \$15,391,279 TO \$15,500,000. THE ROUNDING UP \$'S WOULD PROVIDE A BUFFER IF THE BIOSECURITY EXPENSES COME IN HIGHER THAN ESTIMATED – IT WOULD ALSO BE NEATER AND THE RECONCILIATION OF ACTUALS V ESTIMATES WILL BE DONE IN JANUARY WHEN THE NEXT REPORT IS SUBMITTED. HAPPY TO CHANGE BACK TO 15,391,279 BUT THIS IS STILL AN ESTIMATE ONLY

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

Response is limited to 750 characters (including spaces). **WILL GET CONFIRMATION OF WORDING FROM BORAL**

What does this figure refer to (which period)? (1 Oct – 30 June) or (1 Jan – 30 June) THE 30,655,791 IS ESTIMATED EXPENDITURE FOR THE 1 Jan – 30 June PERIOD. (\$43,655,791 – \$13,000,000) THE QUESTION ASKED FOR THE ELIGIBLE EXPENDITURE REMAINING IN THE CURRENT FINANCIAL YEAR

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

This question should not be Yes/No I have asked our Systems team to fix it but they haven't yet unfortunately. So just answer yes for now in the report. What is the final figure you have for 20/21FY? **\$1,463,660**

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

Again this should be \$47,619,**450** so the figures all line up. **DONE**

In the grant agreement we have profiled the grant funding in the following way:

18/19FY \$2,500,000

19/20FY \$40,000,000

20/21FY \$500,0000

With the proposed addition of \$3m in biosecurity expenses being added to the total project cost, is there an expectation that the grant payments will now be finalised in 19/20FY? Knowing that Council will be liable for any expenses over the \$43m in eligible expenditure. **WITH THE ADDITION OF THE BIOSECURITY EXPENSES I WOULD ANTICIPATE THAT THE GRANT PAYMENTS WILL BE FINALISED IN 2019/20FY. CAN YOU CONFIRM THIS MEANS THAT COUNCIL WILL RECEIVE THE FULL \$43M NOW IE THE BIOSECURITY EXPENSES ARE ACCEPTED AS ELIGIBLE EXPENSES?**

I will need to see more evidence to substantiate the proposed spend in the next quarter. The cash flow from Boral provides only limited information and does not include the \$3m in biosecurity expenses. **WHAT KIND OF EVIDENCE DO YOU NEED TIM? CASH FLOW ALIGNED WITH THE SEPARABLE PORTIONS? BORAL HAVE PROVIDED AN ESTIMATE OF THE LIKELY BIOSECURITY EXPENSES BUT THESE AREN'T FINALISED AS AGRICULTURE ARE STILL MAKING REQUESTS FOR ADDITIONAL CHECKS. IF THIS IS WHAT YOU NEED I WILL NEED TO GO BACK TO BORAL AND REQUEST MORE DETAIL.**

Are these directly payable by Council to Boral or are they paid by Council directly to the Dept. of Agriculture? **DEPT OF AGRICULTURE WILL CHARGE BORAL AND WE WILL GET BILLED BY BORAL AS PART OF A CLAIM**

Give me a call if you need.

Regards

Tim

UNCLASSIFIED

From: Cotter, Tim

Sent: Monday, 11 November 2019 12:52 PM

To: 'Alistair Innes-Walker' <alistair.innes-walker@nirc.gov.nf>

Cc: Kieren Moss <kieren.moss@aileronedge.com>

Subject: RE: Progress Report - October 2019 [SEC=UNCLASSIFIED]

Hi Alistair,

Can you update the Progress Report through the Portal to reflect the correct figures for the last quarter and subsequent periods.

In the application these were the figures provided:

\$44,918,007 total project cost
(\$298,557) ineligible expenditure identified
\$44,619,450 recommended eligible expenditure
\$43,000,000 recommended grant amount
96.37% recommended grant %

\$2,500,000 initial payment made

Will the new project costs with biosecurity costs end up like this?

\$47,918,007 total project cost
(\$298,557) ineligible expenditure identified
\$47,619,450 recommended eligible expenditure (including biosecurity costs)
\$43,000,000 recommended grant amount
90.30% recommended grant %

Thanks

Tim

UNCLASSIFIED

From: Alistair Innes-Walker [<mailto:alistair.innes-walker@nirc.gov.nf>]
Sent: Friday, 8 November 2019 4:01 PM
To: Cotter, Tim <Tim.Cotter@industry.gov.au>
Cc: Kieren Moss <kieren.moss@aileronedge.com>
Subject: Progress Report - October 2019

Hi Tim

I have attached some working papers explaining the justification for the next claim (\$13M) for the Airport Reseal project. As discussed I have included \$3M for additional Biosecurity costs incurred by Boral over and above the allocation for Biosecurity costs in the tender price (Note Boral had included an estimate of \$4.2M for additional biosecurity costs as a tender qualification).

These additional costs have arisen because of stricter Biosecurity requirements on importing rock onto Norfolk Island being imposed by the relevant Government department. I believe these can legitimately be considered as eligible costs.

If you have any questions please contact me.

Cheers
Alistair



Alistair Innes-Walker | Manager Commercial Services

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From: gmassistant@admin.gov.nf <gmassistant@admin.gov.nf>

Sent: Saturday, 9 November 2019 3:44 AM

To: Alistair Innes-Walker <alistair.innes-walker@nirc.gov.nf>

Subject: NIRC Scan from Konica