

Application RNIA000001

Report Summary

Report

Progress report

Report Type

Progress

Due Date

30/01/2020 12:00:00 AM

Status

Approved

Submitted Date

3/02/2020 1:20:43 PM

Submitted By

Alistair Innes-Walker

Report Accepted Date

20/02/2020 10:05:00 AM

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

31/12/2019

Actual End Date**Current % Complete**

85

Progress Comments

85 % of first barge unloaded, 2 more weather dependent days of unloading. Airfield lighting procured and will be delivered weather dependent on 11/02/2020

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

31/01/2020

Actual End Date**Current % Complete**

25

Progress Comments

second barge AC Sesoda loaded and fumigated, off shore from Norfolk Island awaiting unloading of Tao Ace aggregate barge.

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

31/03/2020

Actual End Date**Current % Complete**

5

Progress Comments

3rd plant and equipment barge containing bitumen, asphalt pavers, multi tyred rollers, agitator trucks ready for being loaded in Brisbane expected delivery 11/02/2020.

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

30/06/2020

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

30/09/2020

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).

Critical activities on the contract programme are the approval of the Bio-security Plan, maintenance of Ball Bay Groyne, the arrival of construction materials, plant and equipment and final documentation of engineering design.

Work on Contractor Management Plans are progressing well with airfield engineering design and management plans steadily being submitted for client review. A purchase order has been raised for the procurement of long lead time Airfield Ground Lighting items.

The Contractor has submitted the Detailed design for airfield lighting for review and comment by the client. The review is underway with a response being drafted. The airfield lighting designer will be onsite between 20th and 24th January 2020 to finalise the 90% design aspects.

The Contractor has submitted the Quality Management Plan and associated Inspection and Test Plans for review and comment by the client. The review is underway with minor amendments being made ready for finalisation.

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. The initial Audit was undertaken on 18th December 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.

The Contractor has been working through the submitted Health and Safety Plan to the acceptance of the Principals' Representative. The plan will thereafter be implemented and monitored. No personal injuries were recorded in this reporting period.

The Contractor has submitted the Traffic Management Plan for review and comment by the client. The plan is being implemented and monitored. No personal injuries were recorded in this reporting period. A minor near miss incident has been reported to the authorities.

A further vehicle movement plan for Separable Portion 2 Apron works is being generated.

The Contractor has been working on submitting a Biosecurity Plan to the acceptance of Biosecurity and the Principals' Representative. The plan is being implemented and monitored.

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 is scheduled for 10am 29th January 2020.

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.

Council has been working on obtaining the necessary approvals for the project. The conditions of approvals will thereafter be provided to the Contractor for implementation. The outstanding approvals are an updated MOWP with amended construction dates, and approvals associated with the desalination plant (a variation under the contract as existing water supply is contaminated with PFAS.

The Marine Parks Permit approval for the construction and maintenance of the proposed Ball Bay Groyne has been received and is being implemented and monitored. Maintenance activities are being undertaken as required.

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.

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).

Anticipated risks for the Projects ongoing success are approval of Bio-security plan, (The project steering group have undertaken to provide what support it can to expedite the Bio-security plan - Boral are preparing an overview of DAWR/Boral discussions to assist in the facilitation of assistance) Successful landing of plant, equipment and materials in favourable shipping conditions, Continued implementation of the Communications Strategy responding to Norfolk Island Community concerns and needs.

Inclement weather (large swell and string on shore winds) have hampered safe trans-shipment of materials and equipment on to the island. The contractor proposes to undertake separable portions concurrently to make up any programme delays.

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

No

[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).

NIRC were advised 27 June 2019 that the Australian Industry Participation (AIP) plan for the Project had been approved. The AIP plan outlines the actions NIRC and Boral are undertaking to familiarise themselves with the capabilities of Australian industry and provide Australian

industry with full, fair and reasonable opportunity to supply goods and services to the project. The plan demonstrates how Boral will not rely on existing supply chains and will communicate the supply opportunities in a transparent manner so that capable Australian industry can bid.

An executive summary of the approved AIP plan has been published on the AIP Authority's website. The Contractor will collect evidence during the life of the project so that NIRC can report in detail on how and when the actions in the plan were undertaken. The implementation report is a contractual obligation and is due 14 months from execution of the contract / agreement (4 April 2019)

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).

The Airport has an asphalt surface approaching ten years of age and an asphalt overlay of all the aircraft pavements is required to maintain this vital economic link to Australia and New Zealand.

CASA undertook an assessment of the Airport in 2017 which found that portions of the current runway surface and aprons contain deformities such as cracking and if not rectified, could result in the runway being deemed as unsuitable for commercial aircraft servicing Norfolk Island.

The key project outcomes are to ensure that Norfolk Island Airport runways and apron are resurfaced to provide safe access to Norfolk Island by commercial aircraft.

The tender for the Airport Pavement Repair and Resurfacing (D&C) Tender was released in September 2018 to an open market with submissions received on 18 December 2018.

Contract Administration of the Works

Aileron Edge Pty Ltd has been appointed as contract administrator for the works comprising the airport project. Kieren Moss will administer the contract. The NIRC is the Principal with Mr Alistair Innes-Walker being appointed as the NIRC Principal's Representative.

The works are to be delivered as a Design and Construct contract, generally comprising an asphalt overlay, patch repairs to Runways, Taxiway and Apron. The airfield ground lighting will be replaced, primary wind indicator, and primary Precision Approach Pathway Indicator.

Critical activities on the contract programme are the approval of the Bio-security Plan, maintenance of Ball Bay Groyne, the arrival of construction materials, plant and equipment and finalisation of engineering design.

Work on Contractor Management Plans are progressing well with airfield engineering design and management plans steadily being submitted for client review. A purchase order has been raised for the procurement of long lead time Airfield Ground Lighting items.

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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).

Broadly, tracking behind schedule, however, Contractor is confident in delivering overall scope within the initial schedule by overlapping delivery of the separable portions.

Milestone 001 has been delivered.

Milestone 002 will be delivered within two weather dependent days,

Milestone 003 AC Sesoda is off shore of Norfolk Island

Milestone 004 - Plant and Equipment Barge is being loaded in Brisbane and is expected on island 11/02/2020.

Key KPI's for the next quarter are continued receipt of plant, equipment and materials, establishment of temporary parking positions to enable clear access to the existing apron for concrete works to commence.

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

1/10/2019

ReportEndDate

31/12/2019

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 [1/01/2020-31/03/2020]	Estimated total project expenditure
Eligible expenditure			\$44,619,450	\$0	\$11,844,624	\$11,844,624	\$19,099,314	\$48,568,150
	Audit		\$20,000	\$0	\$0	\$0	\$0	\$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	\$0	\$20,000
	Contract		\$44,599,450	\$0	\$11,844,624	\$11,844,624	\$19,099,314	\$48,548,150
		2018/19	\$2,500,000	\$0	\$0	\$0	\$0	\$0
		2019/20	\$39,201,443	\$0	\$11,844,624	\$11,844,624	\$19,099,314	\$48,548,150
		2020/21	\$2,898,007	\$0	\$0	\$0	\$0	\$0
	Domestic travel		\$0	\$0	\$0	\$0	\$0	\$0

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 [1/01/2020-31/03/2020]	Estimated total project expenditure
		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	\$0	\$11,844,624	\$11,844,624	\$19,099,314	\$48,568,150

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

\$ 19,099,314

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

Response is limited to 750 characters (including spaces).

\$13,025,853

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

\$ 4,598,359

What is the estimated total eligible expenditure for the project?

\$ 48,568,150

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 \$11,844,624. The forecast in the last report for this period was \$15,391,279. The difference between the forecast and actual expenditure for the current reporting period is \$3.6M. The difference is primarily attributable to Biosecurity costs (~\$3M) that were forecast but were not realised in the reporting period. The contractor has advised that costs are likely to be claimed in the next reporting period, in whole or in part. The balance of the difference has arisen due to the impact of inclement weather on unloading operations, resulting in some deferred expenditure that will crystallise in future periods. There have not been any other significant/material changes to the forecast budget.

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

Yes

If no, explain the reasons.

Response is limited to 5000 characters (including spaces).

In their tender the principal contractor, Boral Resources, provide 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.

Derivation of the Estimated Total Project Costs is detailed in the attached spreadsheet titled Airport Reseal Project - Boral Resources Project Claims

The Norfolk Island Regional Council (NIRC) approved 20 February 2019 (Resolution 2019/19), the awarding of the Airport Pavement Repair and Reconstruction D&C Contract to Boral Resources. The contract was signed 17 October 2019. The reasons for the delay in signing of the contract were an additional exploration of the option to use local rock (an NIRC requirement) and the general complexity of a large D&C contract such as this, exacerbated by the use of an incorrect contract template in the tender. This required significant rework by external lawyers engaged by NIRC to conduct contract negotiations.

The delays in finalising the Biosecurity plan are ongoing. Boral submitted a Biosecurity Plan application to External Territories 30 April 2019. NIRC published an approved version of the Biosecurity Plan 20 November 2019. The Department of Agriculture and Boral are best placed to explain the delays as NIRC were not involved directly in this process. However in reviewing the correspondence it is apparent that the Department was tardy in responding to Boral's application and providing the guidance required, to reasonable requests from Boral during this period. 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.

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.

Norfolk Island Airport Pavement Resurfacing Project - Q3 Quarterly Report December 2019.pdf

Airport Reseal Project - Boral Resources Progress Claims_300120.pdf

20200130 Steering Group Meeting Minutes.docx

Boral Progress Claims 1-5.pdf

Declaration

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