

COMMERCIAL SERVICES UPDATE

PROJECT UPDATE BY COMMERCIAL UNIT

Electricity

At the 19 December 2018 meeting, Council resolved (2018/209):

That Council approves

- 1. The engagement of a qualified Energy Economist to undertake an assessment of the financial implications of implementing the Hydro Tasmania Plan;*
- 2. The preparation of a Tender to provide and install a generator and batteries, of appropriate size, to address the current issue of solar oversupply and to reduce diesel usage;*
- 3. The re-allocation of \$75,000 funding from the existing 2018–19 Electricity Capital Budget to provide for the engagement of an Energy Economist (Recommendation 1 \$50K), and preparation of a Tender (Recommendation 2 \$25K).*

Technical briefs required for engagement of the Energy Economist, and preparation of a tender to provide and install a generator and batteries have been completed (for further information, please see this week's Gazette).

Request for Tender (RFT) for the Generator and Batteries Tender is scheduled to be published by end of June 2019, and the Request for quote (RFQ) to engage the Energy Economist is also scheduled by end of June 2019.

Norfolk Telecom

There are a number of sub-projects under the 'Future Proofing of Telecommunications in Norfolk Island Project' that are at different stages of development:

1. The Tender for a new 4G LTE Mobile System and Fixed Network Upgrade Project closed 7 May 2019. The Evaluation Panel has assessed the tenders and made a recommendation which will be considered by Council for commercial reasons as a confidential matter.
2. Equipment for the Wi-Fi Hotspot upgrade has been received and is now being configured by Telecom staff. Completion of this sub-project is scheduled for completion early in July 2019.
3. A Telecommunications specialist engaged by Council is working with Telecom staff to develop the key equipment and service specifications required to progress the Internet Connectivity Upgrade sub-project to the tender stage. The intent remains to install the required servers into Telecom as soon as practical, and prior to the 4G rollout.
4. The Satellite infrastructure upgrade sub-project is dependent on outcomes derived from the 4G and Internet Connectivity upgrades. Once these two sub-projects are finalised, the team will immediately develop a Tender for the Satellite upgrade. Expected completion remains as July 2020.

Airport

In the 2018-2019 Operational Plan, under the Strategic Objective 'Use and manage our resources wisely' there is an action (1.4.2) to complete the development of the Airport Master Plan.

A comprehensive scope of work has been written and the Airport Masterplan Request for Tender is being managed by Council staff. The Evaluation Panel has been selected and the Tender Evaluation Plan and the proposed RFT timeline to be confirmed and approved. The Tender will then be advertised on Tenderlink, in the Gazette and the Sydney Morning Herald in June 2019.

Council staff continue to liaise with Boral Resources on progressing the Airport Pavement Repair and Reconstruct (D&C) Project ("the Project"), specifically in obtaining the necessary on-Island planning approvals/permits, and completing Commonwealth funding reporting requirements.

Council has also now received the written Report from Boral Resources (available on Council's web-site <http://www.norfolkisland.gov.nf/reports-services>) confirming earlier advice that the quarry at Cascade Reserve could not be considered as a source of material for the Project for the following reasons:

- *Existing Rock does not meet quality specifications for the Project*
- *The quarry has no approvals and prospects of obtaining approvals appeared poor at end April 2019*
- *Tonnage available would at best be blended in with high quality of stone sourced from off island (considering the CASA timelines), assuming a quarry can be recommenced, operated and material prepared in time for blending and testing of products for the airport overlay*
- *There is a lack of suitable equipment on the island to operate the quarry at a commercial production rate to meet the Project consumption demands (when delayed approvals considered)*
- *There are a lack of commercial blasting resources on the island to enable mitigation of the risks surrounding drill and blast at the quarry*
- *The Resource could be used to support and maintain the on-island construction industry until a replacement or expansion is achieved*

Boral Resources have also commenced advertising for on-Island contractors/staff and other services such as accommodation providers.

Alistair Innes-Walker

MANAGER COMMERCIAL SERVICES

26 June 2019