

16.1 ADDITIONAL ROAD MAINTENANCE - ASPHALT WORKS

Author: Bruce Taylor, Group Manager Services

The Council is satisfied that, pursuant to Section 10A(2) of the *Local Government Act 1993*, the information to be received, discussed or considered in relation to this agenda item is:

- di commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

SUMMARY

The purpose of this report is to request approval of changes to the budget to accommodate the use of Boral's Asphalt equipment and processes to reseal nine kilometres of roads whilst that equipment is on island for the airport runway reseal project.

BACKGROUND

The Airport runway reseal project timeline indicates the asphalt plant will be on island for the period September 2019 to September 2020. The airport reseal project, and thus the availability of the asphalt plant, straddles the 2019/20 and 2020/21 financial years. Availability of such a plant at a reasonable cost is unlikely to occur until the next runway upgrade in 12-15 years.

RELEVANCE TO THE STRATEGIC PLAN AND RESOURCING STRATEGY

Objective 1 – Use and manage our resources wisely – planning of infrastructure upgrades, re-use of runway scalplings.

Objective 13 – A safe place for our families and visitors.

DISCUSSION

Figure 5.10 of the Roads Asset Management Plan 2020-2029 (Resolution 2019/108) is reproduced below. Operating expenditure of \$2.0 million per annum has been provided for each of the next ten years, in the knowledge that only \$1.0 million can be achieved/expended due to the limitations of equipment currently available on island. Expenditure of the equivalent of \$2.0 million per annum can be achieved through one-off projects such as the attached Boral proposal, purchase of new equipment, or a combination of both.



CONFIDENTIAL COUNCIL MEETING AGENDA**17 JULY 2019**

As the process to reseal 9.0 kilometres of road will use the scalplings from the grooving of the new surface, it is anticipated the majority of this work will be towards the latter part of the reseal project, the majority of expenses will be in late 2019/20 and early 2020/21.

Roads quoted in the attached document are:-

Location	Cost	metres	tonnes	Description
Airport Carpark		6900m2	780	Carpark
Taylors Road		448	500	Olive to Chinese Restaurant
Village		238	230	Village
Taylors Road		151	160	WMC to leagues Club
Subtotal				
Douglas Drive		1,400	1,110	sections Ferny Lane to St Barnabas Chapel
Ferny Lane		1,500	1,190	sections Douglas Drive to Longridge Road
New Farm Road		1,800	1,420	Ferny Lane to Captain Quintal Drive
Anson Bay Road		3,600	2,835	St Barnabas Chapel to Pistol Club
Subtotal			6,555	
Profilograph Survey				
TOTAL	\$5,065,370	9,137	14,000	

It is noted that the runway reseal agreement with Boral includes the buyout of vehicles at the conclusion of the airport reseal process. In addition agreement has been reached to buyout truck-mounted cold emulsion spraying equipment to replace current unserviceable equipment. The buyout will include training by qualified Boral staff in the operation and maintenance of the equipment. The cost of \$70,750 will be included in 2020/21 Capital Budget.

GOVERNANCE/POLICY IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

SOCIAL IMPLICATIONS

Nil

CONFIDENTIAL COUNCIL MEETING AGENDA**17 JULY 2019****FINANCIAL IMPLICATIONS****Cash Flow**

As at year-end 30/6/2019 total cash flow is significantly higher the Operational Plan - Budget 19/20 Cash-flow assumption; Budget opening cash balance at 1/7/19 is \$9.165mil, compared to actual \$15.3mil, the variance associated with unspent capital projects from past years.

Therefore, as the proposed project of \$5.0 million is spread over two financial years it will be achievable by advancing expenditure on roads over the next two years. This would be within acceptable parameters of the Long Term Financial Plan that projects total road expenditure over the 10-year period is \$20.933 million.

It is notes that during the first three years of operation of the Norfolk Island Council a total roads capital budget was underspent by \$1.9 million.

CONCLUSION

The opportunity to reseal nine kilometres of roads using Boral's asphalt plant is an opportunity that is unlikely to arise for another 12-15 years. Cash is available to commit to this project and funds budgeted in future years can be brought forward. The project is recommended to Council.

RECOMMENDATION

That Council approve the expenditure of a total of \$5.065 million in the 2019/20 and 2020/21 Budget years for Boral to reseal 9.037 kilometres of roads using their asphalt plant whilst it is on island for the runway reseal project.

Roads to be resealed are:

Airport carpark	Carpark
Taylor's Road	Max's to Chinese Restaurant
The Village	The Village
Taylor's Road	WMC to Leagues Club
Douglas Drive	sections Ferny Lane to St Barnabas Chapel
Ferny Lane	sections Douglas Drive to Longridge Road
New Farm Road	Ferny Lane to Captain Quintal Drive
Anson Bay Road	St Barnabas Chapel to Pistol Club

ATTACHMENTS

- 1. Boral - NIRC Roads Proposal 02072019**