

# **LORD HOWE ISLAND BOARD**

## **Business Paper**

### **OPEN SESSION**

#### **ITEM**

Airport Terminal Upgrade Project Update

#### **RECOMMENDATION**

It is recommended that the Board note the report.

#### **BACKGROUND**

The project has been underway since March 2016, and consists of two distinct components:

1. Project and Construction Management, and Design Services; and
2. Construction.

The project budget was initially established at \$1,981,604 (excl. GST). The costs for the project have increased to approximately \$2,500,000 (excl. GST). The funding for the project is being sourced through:

- |   |                           |
|---|---------------------------|
| 1. Infrastructure NSW - Restart NSW funding | - \$1,800,000             |
| 2. Board Capital 16/17                      | - \$130,000               |
| 3. Board Capital 17/18                      | - \$450,000               |
| 4. Rodent Eradication Project               | - \$150,000               |
| TOTAL                                       | - \$2,530,000 (excl. GST) |

STEA Astute Architecture P/L were the successful tenderers for the Project and Construction Management and Design Services Contract and commenced work on the project at the beginning of July 2016. The development application was approved in 22 November 2016 and with Ministerial approval the tender for the construction of the new terminal was awarded to HSG Constructions Pty Ltd in early June 2017.

The temporary facilities for check-in and kiosk commenced operation on 6 June and the old building was demolished. Construction of the new airport terminal commenced on 26 June 2017.

#### **CURRENT POSITION**

As Practical Completion (PC) was not achieved at the end of 2017 due to a number of items not being completed, it was agreed that the change to the colour scheme would be undertaken before moving into the building. However, following the building industry's Christmas close-down, there was very little work that could be done through January 2018. The required trades, painters, plumbers, carpenters and electricians were reprogrammed to come to the island in

February to complete the works. The terminal building was handed over on 28 February 2018 when PC was issued.

There are still some additional works, which were not part of the original contract, that are now being completed. However, in general the terminal is operational with it accepting its first flight on Friday 2 March 2018. Before the end of the month a defects list for the contract will be prepared and a program of works developed by the builder to address outstanding issues.

There is still a reasonable amount of general tidying up of the site to be completed. The 'Qantas Lounge' marquee has been removed, however the remainder of the temporary terminal facilities are still to be demolished which will provide increased vehicle parking in the area.

Some additional planting of shrubs and palms is proposed for later in the year to take advantage of the weather to improve their expected survival rates.

Leslie Williams MP, Member for Port Macquarie, has advised that the official opening for the new Airport Terminal project will be on 25 March 2018 and arrangements are currently underway to meet this deadline.

## **RECOMMENDATION**

It is recommended that the Board note the report.

**Prepared:** John Teague, Manager Infrastructure & Engineering Services

**Endorsed:** Penny Holloway, Chief Executive Officer