



Monthly Project Management Update

Wolgan Valley Reconstruction Project , April 2024



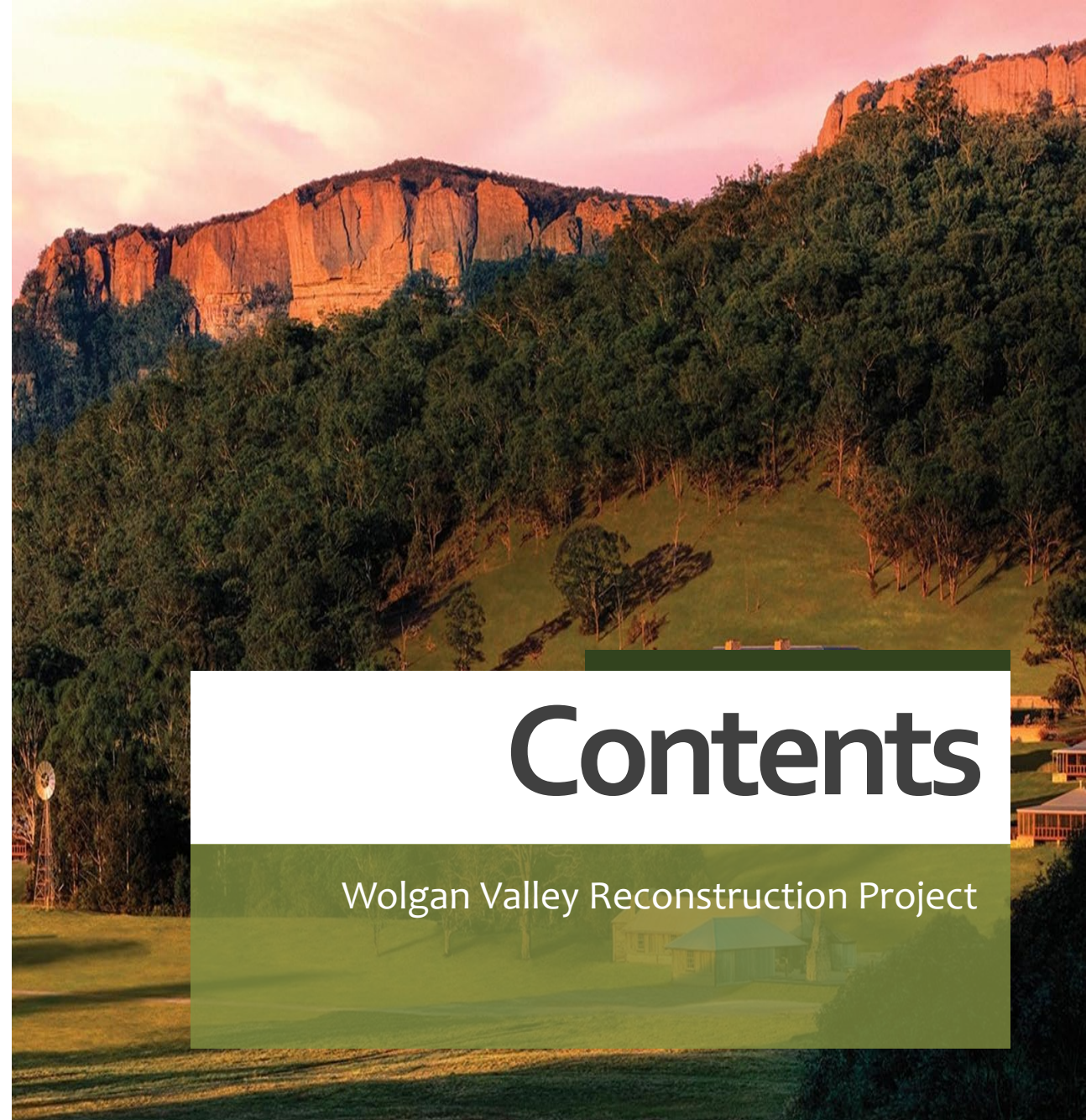
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This report was drafted on 4 May 2024



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Project Overview

Wolgan Valley Reconstruction Project



Wolgan Valley

- The Wolgan Valley includes private residences, farms and tourist destinations, including Emirates One & Only, a luxury resort located near the Wolgan River.
- The Newnes area grew out of the Commonwealth Oil Shale Company operations at Newnes Junction. The ruins of the shale oil mine processing are a popular attraction to this day.
- Wolgan Valley is formed by the Wolgan River in mountainous country.
- The river flows generally east, joining the Capertee River, and then becomes the Colo River.
- The Wolgan Valley includes sections of Wollemi National Park, Gardens of Stone National Park and the UNESCO declared Greater Blue Mountains World Heritage Area.



Project Background

The Wolgan Road has been closed since November 2022, due to damage caused by a landslide and rockfall onto the road in several sections.

Lithgow Council (Council) is undertaking work to identify an appropriate permanent road solution.

The structural failure of the Wolgan Road has been deemed a disaster and is therefore eligible for funding under the Disaster Recovery Funding Arrangements, funded by the Australian Government's National Emergency Management Agency,

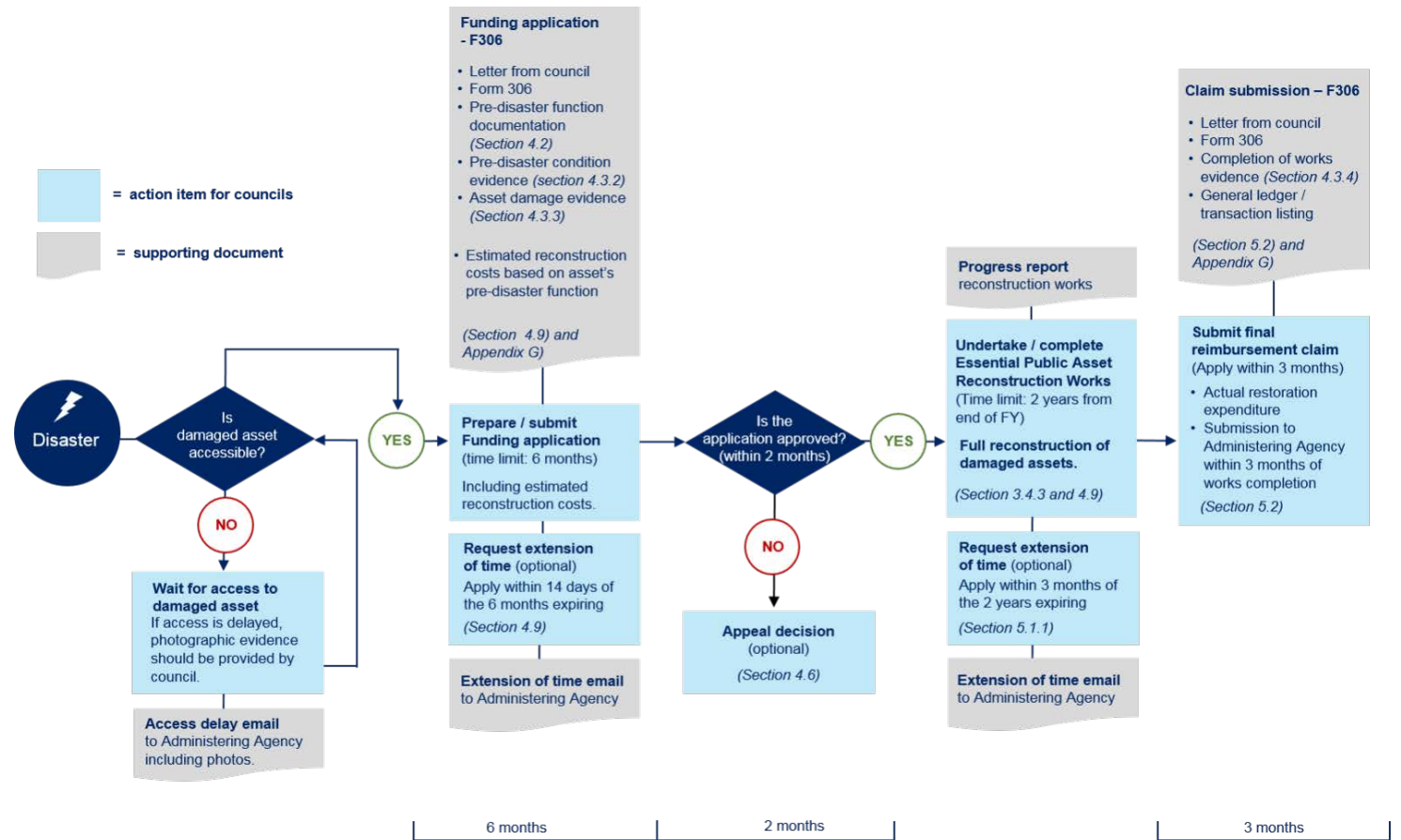


Sub-vertical scarp with variable offset from the north-bound (upslope) lane.

Figure 5: Looking south at Hazard 2B, photograph taken 10th October 2022

Funding Application

- Lithgow City Council is seeking external funds to replace the now condemned Wolgan Rd within Wolgan Valley.
- Under the [NSW Disaster Assistance Guidelines](#) (DAG), the NSW Government provides financial assistance to councils to restore essential public assets that are damaged as a direct result of an eligible disaster.
- This assistance is partially supported by the Australian Government under the Disaster Recovery Funding Arrangements (DRFA).



Flowchart – Essential Public Asset Reconstruction Works



Project Progress

Wolgan Valley Reconstruction Project

Key accomplishments this month

April 2024



Project Management Services: Wassabi Group awarded and have commenced



Risk Specialist: ZenoE Consultancy awarded and have commenced.



“Do Nothing” narrative: AP Sheere Consulting awarded and will be commencing shortly



Cost Estimate Peer Reviewer: WT Partnership awarded and will commence in mid-May 2024



Constructability & Scheduling Services: Has been awarded to CJC Management. Mobilisation workshop held and site visit in mid-May 2024



Planning Approval Pathway Specialist: BD Infrastructure awarded to provide preliminary advice and prepare Planning Approval Discussion Paper.

Key Procurements

Do Nothing - Business Case Summary	AP Sheere Consulting	Initial Proposal dated 26 April
Risk Specialist	ZenoE	Initial Proposal dated 15 April 2024
Risk Specialist	ZenoE	Additional Allowance
Cost: Peer Review/Concurrence	WT Partnership	Initial Proposal dated 17 April 2024
Planning Approval Pathway Specialist	BD Infrastructure	Initial Proposal dated 26 April 2024
Planning Approval Process Next Steps	BD Infrastructure	Planning approvals discussion paper proposal dated 3 May 2024. Under Review
Constructability & Scheduling Services	CJC Management	Initial Proposal dated 30 April
Project Management Services	Wassabi Group	Initial Proposal Dated 2 March 2024

Key accomplishments this month

April 2024



Site Visit 1 May 2024: Local Aboriginal Land Councils (LALCs) and Mingaan Wiradjuri Aboriginal Corporation site visit & consultation:

Governance, Site Visits & Workshops

Project Control Group: Establishment of PCG and fortnightly meetings held with TfNSW and Reconstruction Authority

Multi-Criteria Assessment Workshop: Held 2 May 2024

Design Development: Design Report progressing

Local Aboriginal Land Councils (LALCs) and Mingaan Wiradjuri Aboriginal Corporation site visit & consultation: Held on 1 May 2024

Risk Workshop No.1: Held on 24th April with an online collaborative workshop.

Governance: Weekly Design and PM Meetings established

Wolgan Rd - Restoration Assessment Report: Development of the report to detail why restoration is not an option.

Meeting with NSW Department of Planning, Housing and Infrastructure: Preliminary discussions around Planning Approvals pathway post funding approval.

Project Management Plan: has been drafted and issued for review

Funding Application extension: A pre-emptive extension request has been submitted to Reconstruction Authority. Approval is pending.

Funding Application – F306 Deliverables

Status

Extract: NSW Natural Disaster Essential Public Asset Restoration Guidelines

No.	Key Funding Application Documents	Status
1	Letter from council - Form 306	In Progress
2	Pre-disaster function documentation	Complete
3	Pre-disaster condition evidence	Complete
4	Asset damage evidence	Complete
5	Estimated reconstruction costs based on asset's pre-disaster function	In Progress
6	Design Documentation	In Progress
7	Risk Register	In Progress
8	Constructability & Scheduling	Commenced
9	Delivery Strategy Report	Commencing Shortly
10	Planning Approval Discussion Paper	Commencing Shortly
11	“Do Nothing” base case narrative	Commencing Shortly

Funding application - F306

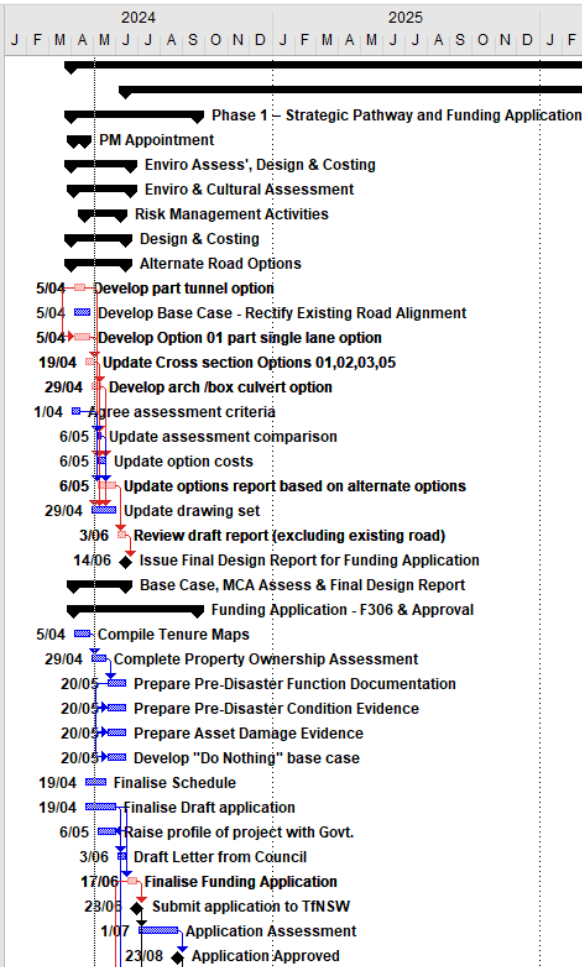
- Letter from council
- Form 306
- Pre-disaster function documentation (*Section 4.2*)
- Pre-disaster condition evidence (*section 4.3.2*)
- Asset damage evidence (*Section 4.3.3*)
- Estimated reconstruction costs based on asset's pre-disaster function

(*Section 4.9*) and (*Appendix G*)

Program Update

- Master Program has been developed for both pre and post funding stages.
- Funding Application before the end of June 2024 is forecast and achievable
- There is less than 8 weeks remaining until the application is required to be submitted.
- Program is achievable but there are risks and issues to address which are covered within this summary.

Task Name	Duration	Start	Finish
1 Wolgan Valley Reconstruction Project	236.8 wks	Mon 1/04/24	Fri 12/01/29
2 Summary Milestones	226 wks	Fri 14/06/24	Fri 12/01/29
17 Phase 1 – Strategic Pathway and Funding Application	24.8 wks	Mon 1/04/24	Fri 20/09/24
18 PM Appointment	2 wks	Fri 5/04/24	Thu 18/04/24
23 Enviro Assess', Design & Costing	11.8 wks	Mon 1/04/24	Fri 21/06/24
24 Enviro & Cultural Assessment	11 wks	Fri 5/04/24	Fri 21/06/24
32 Risk Management Activities	7 wks	Thu 18/04/24	Fri 7/06/24
40 Design & Costing	10.8 wks	Mon 1/04/24	Fri 14/06/24
41 Alternate Road Options	10.8 wks	Mon 1/04/24	Fri 14/06/24
42 Develop part tunnel option	10 days	Fri 5/04/24	Thu 18/04/24
43 Develop Base Case - Rectify Existing Road Alignment	3 wks	Fri 5/04/24	Fri 26/04/24
44 Develop Option 01 part single lane option	3 wks	Fri 5/04/24	Fri 26/04/24
45 Update Cross section Options 01,02,03,05	2 wks	Fri 19/04/24	Fri 3/05/24
46 Develop arch /box culvert option	2 wks	Mon 29/04/24	Fri 10/05/24
47 Agree assessment criteria	2 wks	Mon 1/04/24	Fri 12/04/24
48 Update assessment comparison	1 wk	Mon 6/05/24	Fri 10/05/24
49 Update option costs	2 wks	Mon 6/05/24	Fri 17/05/24
50 Update options report based on alternate options	4 wks	Mon 6/05/24	Fri 31/05/24
51 Update drawing set	5 wks	Mon 29/04/24	Fri 31/05/24
52 Review draft report (excluding existing road)	2 wks	Mon 3/06/24	Fri 14/06/24
53 Issue Final Design Report for Funding Application	0 wks	Fri 14/06/24	Fri 14/06/24
54 Base Case, MCA Assess & Final Design Report	10 wks	Fri 5/04/24	Fri 14/06/24
71 Funding Application - F306 & Approval	24 wks	Fri 5/04/24	Fri 20/09/24
72 Compile Tenure Maps	3 wks	Fri 5/04/24	Fri 26/04/24
73 Complete Property Ownership Assessment	3 wks	Mon 29/04/24	Fri 17/05/24
74 Prepare Pre-Disaster Function Documentation	4 wks	Mon 20/05/24	Fri 14/06/24
75 Prepare Pre-Disaster Condition Evidence	4 wks	Mon 20/05/24	Fri 14/06/24
76 Prepare Asset Damage Evidence	4 wks	Mon 20/05/24	Fri 14/06/24
77 Develop "Do Nothing" base case	4 wks	Mon 20/05/24	Fri 14/06/24
78 Finalise Schedule	4 wks	Fri 19/04/24	Fri 17/05/24
79 Finalise Draft application	6 wks	Fri 19/04/24	Fri 31/05/24
80 Raise profile of project with Govt.	4 wks	Mon 6/05/24	Fri 31/05/24
81 Draft Letter from Council	2 wks	Mon 3/06/24	Fri 14/06/24
82 Finalise Funding Application	2 wks	Mon 17/06/24	Fri 28/06/24
83 Submit application to TfNSW	0 wks	Fri 28/06/24	Fri 28/06/24
84 Application Assessment	2 mons	Mon 1/07/24	Fri 23/08/24
85 Application Approved	0 mons	Fri 23/08/24	Fri 23/08/24



Pre-Funding Forecast Program Dates

April 2024

Key Activity	Forecast Date
Issue Draft Design Report for Funding Application	Late May 2024
Planning Approval Discussion Paper	Late May 2024
Draft Application	Early June 2024
Delivery Strategy Report	Mid June 2024
Final Constructability & Scheduling report	Mid June 2024
Issue Final Design Report for Funding Application	Mid June 2024
“Do Nothing” base case narrative	Mid June 2024
Submit application to TfNSW	28 June 2024
Forecast Application Approval (2 months)	Aug/Sept 2024

Key Risks – Preliminary Assessment



People & Processes

- Capacity to deliver the project
- Ability to ramp up to meet schedule
- Capability to procure and attract the right organisations
- Contractor and Client have had large turnover
- Travel times are an issue and cause issues with attracting talent
- Lack of knowledge on TfNSW specs and requirements



Financial

- Budget is undercooked and inability to request additional funding
- Unforeseen costs
- Contingency, client costs and escalation is insufficient
- Significant claims lead to overruns
- Program blows out causing escalation costs to increase
- Budget is blown and Lithgow City Council are unable to secure additional funds
- No land costs are included



Environment

- Planning Approval documentation is poor quality
- Community and Cultural heritage delay planning approval
- REF vs EIS
- Flora and Fauna sensitivities
- Seasonal investigations delay program
- Start down an REF path and then have to change to an EIS
- Extended EIS path
- Green Offset Credit costs



Schedule

- Many parallel activities in a short period of time are unachievable
- Constructability advice is not forthcoming or incorrect
- Underestimate the complexity of construction
- Funding process is new and may require more Governance than originally envisaged
- Weather is a big factor



Stakeholders

- Many stakeholders with various conflicting interests in the projects
- Community backlash
- Emirates step away from Wolgan Valley or don't support solution
- Commonwealth and State Government stakeholders slowing project progress



Design & Technical

- Insufficient site investigations leading to significant latent conditions
- Poor design and more complex than anticipated
- Constructability is an issue
- Contractors propose more cost effective solutions
- Design changes that require Planning Approval modifications
- Design changes increase costs which are not funded
- Material supply, concrete supply quality



Property

- Third Party Agreements delay the project
- Acquisitions of properties and easements delay the project

Key Risks – Workshop 1: 24 April 2024

JE: Significant variations that are unclaimable under the DRA	JE: Councils capacity to manage the asset throughout the life cycle. (OPEX costs)	JE: Councils cash flow management is not managed well, and Council will encounter business issues.	JE: REF/EIS could delay the project	JE: Managing Aboriginal heritage issues could delay the project	JE: Maturity of engineering with lack of geotechnical samples could cause issues as only desk top study used.	MS: Escalation rates greater than envisaged. Methodology agreement.	CW: Flora and Fauna investigations are seasonal delaying Planning Approval.
JE: Expectations of community/stake holders on timescale to finish project beyond 2025.	JE: Relationship with stakeholders could create delays with approvals etc.	JE: Spoil management and effect on local surrounding damage to infrastructure	KD: Timeframe to get project approval within the window (30 June 2024), so no joint funding by commonwealth. Show stopper	KD: Transport timeframe for approval not met so joint funding (same as previous)	MS: Appropriate level of contingency with the maturity of the project	MS: Delays to land acquisition if National Park land required. (State conservation area)	MS: Unexpected requirements for submission at the eleventh hour. Caused delay.
JE: Scope changes on EIS and heritage approvals with an early option status of design	CW: Biodiversity offset costs greater than envisaged	CW: Disgruntled stakeholder on time frames could lead to potential legal claims	CW: Late EIS changes due to design changes due to engineering maturity.	CW: New governance process could lead to project approval delays. Post approval delays by government requirements.	JE: Hydrology issues caused by new road not considered leading to design or post construction modifications	CW: Lack of flood modelling leads to alignment and hydrology provisions.	CW: Unexpected utility scope with the maturity of the design
JB: Construction staging land/EIS or cost issues	Obligations with the old road may be onerous	CW: Will TNWSW accept the functional requirements of the road including the number of lanes, shoulder widths, cycle lanes and heavy vehicle rating. TNWSW Roads team could want to see functional enhancements.	CW: INSW input could create unforeseen gate requirements.	JE: Personnel to manage the project	Availability of accommodation and affect on the local rental and tourism market	EIS community issue greater than envisaged.	JE: Outcomes don't deliver expected or required functionality.



Any Questions

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