



# MINUTES

## Ordinary Council Meeting 7 July 2021

*Menets*

*f daa Ordeneri Kaunsl Miiten  
orn 7 Julai 2021*

**MINUTES OF NORFOLK ISLAND REGIONAL COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE NORFOLK ISLAND REGIONAL COUNCIL CHAMBERS  
ON WEDNESDAY, 7 JULY 2021 AT 2:00PM**

**PRESENT:** Mike Colreavy (Interim Administrator)

**IN ATTENDANCE:** Andrew Roach (General Manager), Alistair Innes-Walker (Manager Corporate and Finance), Phil Reid (Manager Environment and Planning), Meliame Plant (Media & Executive Assistant)

**1 WELCOME**

The Mayor welcomed Officers and the community to the meeting of the Norfolk Island Regional Council and opened the meeting at 2:00pm.

**2 STATEMENT OF RESPECT**

*The Norfolk Island Regional Council promotes a climate of respect for all. We will endeavour to inspire in our community shared civic pride by valuing and protecting our unique culture and environment, both natural and built, for the current and future generations. We, the Administrator and staff of the Norfolk Island Regional Council undertake to act with honesty and integrity, to conduct ourselves in a way that engenders trust and confidence in the decisions we make, and the actions we take on behalf of the Norfolk Island community. We acknowledge the Norfolk Island people, the traditional custodians of this Island.*

**CONDOLENCES**

There were no Condolences received for this meeting.

**3 APOLOGIES**

Nil

**4 DISCLOSURE OF INTEREST**

Nil

**5 CONFIRMATION OF MINUTES**

**5.1 MINUTES OF THE EXTRAORDINARY COUNCIL MEETING HELD ON 7 JUNE 2021**

**RESOLUTION 2021/76**

The Interim Administrator resolved the following:

That the Minutes of the Extraordinary Council Meeting held on 7 June 2021 be confirmed.

**CARRIED**

**5.2 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 9 JUNE 2021****RESOLUTION 2021/77**

The Interim Administrator resolved the following:

That the Minutes of the Ordinary Council Meeting held on 9 June 2021 be confirmed.

**CARRIED****6 PUBLIC ACCESS**

One application was received and accepted – The applicant did not attend the meeting.

**7 ADMINISTRATOR'S MINUTE**

Nil

**8 STATUS REPORTS**

Nil

**9 REPORTS FROM COMMITTEES****9.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 27 MAY 2021****RESOLUTION 2021/78**

The Interim Administrator resolved the following:

That the Minutes of the Audit Committee Meeting held on 27 May 2021 be received and the recommendations therein be adopted.

**CARRIED****10 REPORTS FROM GENERAL MANAGER****10.1 REQUESTS FOR FINANCIAL ASSISTANCE - SECTION 356 DONATIONS****SUMMARY**

Council can approve community financial assistance (in cash or in kind) in accordance with section 356 of the *Local Government Act 1993*.

Council has received formal requests from the Council of Elders for Anniversary Day and from Norfolk Island Men's Shed.

**RESOLUTION 2021/79**

The Interim Administrator resolved the following:

That Council resolves:

- 1 That a donation of \$2,000.00 be made for the Anniversary celebrations in 2022 to the Council of Elders.
- 2 That a donation of \$12,000.00 be made for rental assistance for the Norfolk Island Men's Shed Inc.

**CARRIED**

## 10.2 OPERATIONAL PLAN 2021 - 2022

### SUMMARY

The purpose of this report is for Council to adopt the Operational Plan 2021 - 2022 which includes the activities, rates, fees and charges and budget for the financial year 2021 - 2022.

### Interim Administrator's Statement

#### Preamble to adopting Operational Plan & Budget 2021/22

Council is in a difficult position, trying to rectify the parlous financial position it finds itself in, whilst not over burdening local residents and visitors, so that it can recover sufficiently to meet the challenges that lie ahead.

The transcripts of the recent public inquiry give considerable insight. They contain repeated criticisms implied by the Counsel Assisting the Commissioner around the unwillingness of the elected Council to address the revenue shortfalls that happened each year, despite their power to do so. I am conscious of this position, and I am attempting to redress it for Council.

Council has received a healthy 37 submissions on the Draft Operational Plan for the 2021/22 year. I have read all of these submissions, and I have met with 10 individual submitters to gain a better insight into their submission and the community's impressions about the proposed revenue policy, and the rates and charges. I did this specifically to arrive at the best decision for Council moving forward during the Interim Administration period.

At the outset I need to make this comment, Council must and should raise sufficient funds to deliver fundamental services that its community needs and which they enjoy collectively.

Rates are a tax on the community to deliver services. They are not rent. They are a contribution towards service delivery.

Council provides services that far exceed the amount collected in rates. Road maintenance, parks and reserve maintenance, sporting field maintenance, community building maintenance, library services, tourism services, radio station operations, and cattle management. If not for Commonwealth funding, many of these services would need to be pared back or withdrawn altogether. That would make our community poorer, which it does not deserve.

The charges in the 2021-2022 Operational Plan strike a balance between the resident and visitor populations. The business enterprises of the Council, being the Airport, Electricity, Telecom, and Wastewater services will now deliver small surpluses. This is crucial to pay for much needed capital replacement works, or to fund upgrades that have recently occurred.

I accept the community submissions on the electricity price increases are valid in saying that these charges are comparatively high. Council has already made approaches to the Commonwealth Government to help subsidise this service, as it does for the Indian Ocean Territories. Until this is approved, the community will need to meet the energy costs. We are on the path to lower electricity prices within the next few years, but we first need to upgrade crucial systems such as smart meters and inverters, which are now funded in this budget, before we can turn the corner to cheaper prices. The most important part of this program

upgrade is a review of the current moratorium on new solar systems being lifted later this year. An extensive report on this will be considered by Council in December 2021.

Having listened carefully to the Community submissions, and accepting that a 4 cent/kilowatt hour increase is a large impost on residents and businesses alike, I therefore propose to halve the proposed increase in the charge from four cents to two cents, resulting in a charge per kilowatt hour of 72 cents in 2021-2022.

There is a detailed report in this business paper addressing landing fees to bring the Airport operation into a balanced budget. Again, this is a difficult decision as it increases the cost of movement on and off the Island. This proposal takes the NIRC charges for a return trip up to almost \$132 per passenger before they even take their seat on the plane. This will make our airport tax one of the highest in Australia. But without it, the tickets would need to be subsidised - a decision beyond my powers as Interim Administrator.

The Waste Management charge has had the most commentary in the submissions from the community. During very detailed conversations with those that met with me this week, I received some sound suggestions. There was a strong focus on the efficiencies that Council could achieve by changing or improving our service delivery arrangements at the Waste Management Centre. Our General Manager has taken these suggestions on board and will be making changes over the next 6-12 months.

But that aside, I need to make clear what the decision regarding the increase in waste management fees is all about. We need to redress the situation of waste management here on Norfolk. We can no longer throw our waste into the ocean, and we need to continue to educate our community on separation and waste reduction. This new fee is a first step. Our process will mature, and we will continue to make changes as we develop. This will lead to reductions in current costs through better management of existing processes, but will seek to scale down and ultimately end disposal into the Ocean at Headstone over time which will incur further cost. Importantly, Council commits to new initiatives over the short and medium term to better deal with the biggest challenge we face as a community.

I want to make a couple of important points about the waste management system we are adopting today. It is designed to reward those residents and businesses that manage their waste effectively. The system is designed for those who do not use all their ticket allocations to seek reimbursement for any unused tickets. We encourage the community to do the right thing with waste management, innovate rather than find ways around the system. We can regulate in other ways, but we are trying to reduce our waste, not just find other ways of disposal. The second point is, those that create more waste will pay more than just the waste management charge. Once they have used their allocation, the user pays system kicks in further and more tickets will be required.

During my meetings with submitters, a consistent theme was raised around the levying of waste charges on a tourism sector with uncertain, and at times low, occupancy rates. I recognise that the ticketed cost of waste disposal has increased at the gate. In recognition of these factors, I intend to increase the allocation of tickets for accommodation businesses on payment of the community waste management charge by an additional four tickets per bed. This will assist accommodation businesses in continuing to utilise the waste management centre to its fullest, or where occupancy and/or waste generation is low, allow for a meaningful rebate on unused tickets.

The most comprehensive submission I received around the waste management fee was from the ATA. They put a considerable amount of time and thinking into their submission, and I want to publicly thank them for this.

I received a thorough submission from the Cattle Association about the increase to the cattle tag fee. The Association represents the oldest industry on the Island, and I appreciate the time they took to make representations to me. Although I seriously considered deferring the increase in this fee, on reflection, I could not find that sufficient grounds existed to single this fee out for any more sympathetic consideration than others that are proposed to rise in 2021-2022. Like all the other fee increases I am introducing to this year's budget, this fee increase is needed to partially offset the costs of Council's operations. Although there are some historical implications, cattle growing is fundamentally a commercial enterprise, and after close scrutiny, I have decided that it should not be subsidised by the community.

A clear message I received from the community through the submission process was a plea to reduce expenditure. From shutting services down, improving productivity, removing positions that are not needed, and outsourcing to locally based operations. I have done exactly this within the existing budget by setting a target for the General Manager to achieve a 5% efficiency gain and 5% service review. This will be a difficult challenge, equating to millions of dollars, but one that is needed.

Whilst the revenue increases are across the board for the 2021/22 year, they represent approximately one quarter of the value of overall changes to this budget. Conversely, the proposed efficiency gains and service review represent three quarters of the value of the overall changes. When reporting to the Assistant Minister, this approach will highlight that the organisation is doing most of the change program, which is long overdue.

Finally, 'communication' was raised by many people during my conversations. It is incumbent on Council to be open, honest, and transparent in its dealings with the community. Whilst it may seem that we have been quiet on that front for the past few months, it must be highlighted that the public inquiry has consumed considerable resources to meet its requirements. The process consumed more than 750 hours of staff's time. This is not an excuse, but rather an indication of our focus for the past few months.

With that process behind us, we will now focus on informing the community about the adopted Operational Plan. To that point, I announce today that Council will be producing a monthly newsletter for the community, that represents our focus on delivering news of Council projects, programs, and information. In time, we will also revamp our website, and develop our social media platforms.

We have a very full program ahead for the Council team, and one that will start to redress our financial position in line with the Assistant Minister's requirements of my appointment.

I will be writing to everyone who made a submission on the 2021-2022 Operational Plan and Revenue Policy to thank them for their genuine interest in NIRC's future success.

Finally, I am requesting that this statement be incorporated into the Minutes of this Council meeting.

#### **RESOLUTION 2021/80**

The Interim Administrator resolved that:

1. Council notes the 37 submissions from the community received during the public exhibition period for the draft Operational Plan 2021-2022.
2. Council adopts the Operational Plan 2021-2022, including the Fees & Charges schedule subject to the following amendments:
  - The electricity charge be set at \$0.72 for the 2021-2022 period
  - The Accommodation businesses receive 4 additional tickets per bed to the number advertised in the Operational Plan
  - The decision to be made at Item 12.2 of this Business Paper
3. Council will hold an Extraordinary Meeting next week, to allow the General Manager time to seek advice and report on the making of the rates for the 2021-2022 period.
4. The Interim Administrator's preamble to this item be incorporated into the Minutes of this Council Meeting.

**CARRIED**

**10.3 OPERATIONAL PLAN 2021 - 2022 LATE REPORT****SUMMARY**

The purpose of this report is to provide the balance of submissions received for the Operational Plan 2021 – 2022, that were received after 12:00 noon Friday 2 July 2021. Another 19 submissions were received since that time and are included in the following late report.

**RESOLUTION 2021/81**

The Interim Administrator resolved that:

Council has considered this late report and the submissions contained therein, with regards to the Operational Plan 2021 – 2022.

**CARRIED****11 REPORTS FROM MANAGER PEOPLE AND CULTURE**

Nil

**12 REPORTS FROM MANAGER CORPORATE AND FINANCE****12.1 GENERAL PURPOSE FINANCIAL STATEMENTS - YEAR ENDING 30 JUNE 2020****SUMMARY**

The purpose of this report is to table the audited General-Purpose Financial Statements for the year ending 30 June 2020.

**RESOLUTION 2021/82**

The Interim Administrator resolved the following:

That Council receives and adopts the Audited General-Purpose Financial Statements for the year ending 30 June 2020, as tabled in a separate attachment to this report.

**CARRIED****12.2 REGULAR PASSENGER TRANSPORT (RPT) FEES 2021 - 2022****SUMMARY**

The purpose of this report is for Council to consider a proposal to raise airport fees to ensure the Airport runs at break-even.

**RESOLUTION 2021/83**

The Interim Administrator resolved that :

1. Council adopts the increase in Airport Fees from 1 October 2021 as follows;

Proposed Airport Fee Increases effective 1 October 2021		Existing Fee	New Fee
Regular Passenger Transport Services	Per passenger in and out: Table A Item 1 of the Regs	\$50.00	\$60.00
ARFFS (fire services) fees	Per passenger, in and out: table A Item of the Regs 5.2	\$5.20	\$6.00
Airport Screening Services	Screening Services per departure, Table A Item 5 of the Regs	\$400.00	\$450.00

2. Council places the proposed fee increases on public exhibition for 28 days, asking for submissions on the proposed increases.

**CARRIED**

### 12.3 QUARTERLY BUDGET REVIEW STATEMENT AS AT 31 MARCH 2021

#### SUMMARY

The purpose of this report is to present to Council the Quarterly Budget Review Statement as at 31 March 2021, which outlines the financial performance of Council's operations and capital expenditure against budget with recommended variations.

#### RESOLUTION 2021/84

The Interim Administrator resolved that:

1. Council notes the 2020–21 Q3 Budget Review Statements Income Statement & Operating Forecast, and Statement of Capital Expenditure.
2. Council notes that at 31 March 2021 the projected 2020/21 year- end financial result is a \$800,507 surplus.
3. Council notes that full year capital budget is now forecast to be \$25,971,631 (original budget \$25,257,345)

**CARRIED**

### 12.4 INVESTMENT REPORT- MAY 2021

#### SUMMARY

The purpose of this report is for Council to note the investments held and to provide an overview of Council's cash position as at 31 May 2021.

#### RESOLUTION 2021/85

The Interim Administrator resolved that:

Council notes the Investment Report for May 2021

**CARRIED**



**12.5 SCORECARD ON IMPLEMENTATION OF THE EXTERNAL AUDIT FINDINGS AS AT 30 JUNE 2021****SUMMARY**

The purpose of this paper is to provide the Norfolk Island Regional Council (Council) with an update on progress of implementation of the 75 (short to medium term) External Audit Findings (EAFs) of the 113 Findings which were adopted by Council on 24 February 2021 (Resolution No: 2021/3).

**RESOLUTION 2021/86**

The Interim Administrator resolved that:

Council notes the progress of implementation of the 75 (short to medium term) EAFs as at 30 June 2021.

**CARRIED****12.6 EXTERNAL AUDIT FINDINGS 91, 92, 94, 107 IMPLEMENTATION OF ASSETFINDA****SUMMARY**

This report is to provide an update of progress on implementation of Council's new Asset Management software, AssetFinda.

**RESOLUTION 2021/87**

The Interim Administrator resolved that:

Council notes receipt of the Report on the Implementation of Council's new Asset Management software, AssetFinda.

**CARRIED****13 REPORTS FROM MANAGER ECONOMIC DEVELOPMENT****13.1 NORFOLK ISLAND LIQUOR BOND SALES PERFORMANCE REPORT****SUMMARY**

Norfolk Island Liquor Bond (NILB) Sales Performance as at May 2021.

**RESOLUTION 2021/88**

The Interim Administrator resolved that:

Council duly notes the Norfolk Island Liquor Bonds performance to date.

**CARRIED**

**13.2 TOURISM REPORT JUNE 2021****SUMMARY**

The purpose of this report is for the Team Leader Tourism & Heritage to provide a monthly update of tourism industry news to Council, the Tourism Advisory Committee and the Community.

**RESOLUTION 2021/89**

The Interim Administrator resolved that:

Council notes the information provided in the Tourism Report June 2021.

**CARRIED****14 REPORTS FROM MANAGER SERVICES****14.1 SERVICES UPDATE****SUMMARY**

The purpose of this report is to provide an update on work in the Services Department in June 2021

**RESOLUTION 2021/90**

The Interim Administrator resolved that:

Council notes the information provided in the report.

**CARRIED****15 REPORTS FROM MANAGER PLANNING AND ENVIRONMENT****15.1 PLANNING AND ENVIRONMENT UPDATE****SUMMARY**

The following provides a summary of planning and environment activities for the reporting period. This includes planning and building approvals, waste and environment, public health, and environmental protection and reserves.

**RESOLUTION 2021/91**

The Interim Administrator resolved that:

Council notes the information provided in the report.

**CARRIED**

**15.2 SIGNIFICANT DEVELOPMENT DECLARATION APPLICATION - TEMPORARY LANDING STRUCTURE CASCADE BAY****SUMMARY**

The purpose of this report is for Council to consider an Application for Declaration in relation to Significant Development for the proposed construction of a temporary landing structure immediately to the east of Cascade Pier to allow a greater range of vessels to dock at Norfolk Island and to make a recommendation about the Application to the Minister's delegate.

**RESOLUTION 2021/92**

The Interim Administrator resolved that:

1. Norfolk Island Regional Council agrees with the General Manager's conclusions that the proposed Temporary Landing Structure at Cascade Port is –
  - (a) eligible for declaration as significant development; and
  - (b) based on the matters required to be considered under section 28D(2)(a)-(e) of the *Planning Act 2002* (NI), warrants declaration as significant development; and
2. Pursuant to section 28C(2) of the *Planning Act 2002* (NI), the Norfolk Island Regional Council recommends that the proposed Temporary Landing Structure at Cascade Port be declared significant development; and
3. Pursuant to section 28C(4) of the *Planning Act 2002* (NI) the Norfolk Island Regional Council refers its recommendation to the Commonwealth Minister with the General Manager's Report and any other relevant material.

**CARRIED****15.3 REVIEW OF DEVELOPMENT CONTROL PLAN NO. 2 - WATER RESOURCES****SUMMARY**

The purpose of this report is to advise Council of the current arrangements for the review of Development Control Plan No. 2 – Water Resources (DCP 2) and to seek Council's consideration and comment on the revised draft DCP 2.

**RESOLUTION 2021/93**

The Interim Administrator resolved that:

This matter be held over until the Extraordinary Meeting to be held next week, for further consideration.

**CARRIED**

**16 REPORTS FROM MANAGER CUSTOMER SERVICE**

Nil

**17 NOTICES OF MOTION**

Nil

**18 URGENT BUSINESS WITHOUT NOTICE**

Nil

**19 CONFIDENTIAL MATTERS FOR CONSIDERATION****RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

**19.1 Application for Abandonment of Rates**

This matter is considered to be confidential under Section 10A(2) - a and b of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors) and discussion in relation to the personal hardship of a resident or ratepayer.

**19.2 Valuer General Tender Submissions**

This matter is considered to be confidential under Section 10A(2) - di and dii of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it and information that would, if disclosed, confer a commercial advantage on a competitor of the council.

**19.1 APPLICATION FOR ABANDONMENT OF RATES****SUMMARY**

Review of an application received for financial hardship and abandonment of rates under section 582 of the *Local Government Act 1993* (NSW)(NI) [the Act].

**RESOLUTION 2021/94**

The Interim Administrator resolved that:

Council:

1. approves this application for abandonment of rates in line with Council's Hardship Policy.
2. waives any interest amounts which may have accrued since the publishing of this report.

**CARRIED****19.2 VALUER GENERAL TENDER SUBMISSIONS****SUMMARY**

As per Council resolution 2021/46 where the Interim Administrator Resolved the following:

That the Council approves the General Manager to seek expressions of interest for the delivery of land valuation services on Norfolk Island.

Request for Quote [08/2021] was issued for the provision of Valuer General Contract Services, this report makes a recommendation to enter into a contract for a period of one-year with one of the applicants.

**RESOLUTION 2021/95**

The Interim Administrator resolved that:

Council request that the Minister re-appoint Paul O'Kelly as Valuer General for Norfolk Island until 30 June 2022.

**CARRIED****20 QUESTIONS FOR THE NEXT MEETING****In Relation to Item 12.3**

From the Interim Administrator to the Manager Corporate and Finance:

- i. At what points during the year did the opportunities for the exportation of Waste arise? and
- ii. was there a process whereby these opportunities were brought to and considered for that additional expenditure (\$1.2 Million) to be officially approved by the Council.

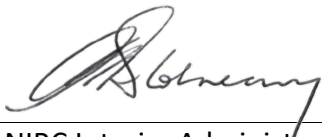
The next Ordinary Meeting of Council will take place on Wednesday 4 August 2021 at the Rawson Hall Supper Room commencing at 2:00pm.

There being no further business the Interim Administrator declared the meeting closed at 3:27pm.

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I hereby certify that the foregoing is a true record of the Minutes of the Proceedings of the Ordinary Meeting of Council held on Wednesday 7 July 2021.

Submitted to the Ordinary Meeting of Council held on Wednesday 4 August 2021



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NIRC Interim Administrator

Mr. Mike Colreavy

4 August 2021

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Date

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NIRC General Manager

Mr. Andrew Roach

4 August 2021

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Date