NORFOLK ISLAND
Regional Council

MEDIA RELEASE

19 June 2026

OPERATIONAL PLAN 2026-2027 PUBLIC EXHIBITION DRAFT 2026-2027 ANNUAL BUDGET EXPLAINED

The Norfolk Island Regional Council (Council) has placed the following key documents on public exhibition under Council's Integrated Planning and Reporting (IP&R) Framework:

- Community Strategic Plan 2026-2036
- The combined Delivery Program 2026-2030 and Operational Plan 2026-2027, which also incorporates the Revenue Policy Statement, Annual Budget, Schedule of Fees and Charges, and the Long-Term Financial Plan (2026-2036) for the 2026-2027 financial year.

These documents are significant. They guide Council's strategic direction, service delivery priorities and financial planning for the Norfolk Island community.

During the public exhibition period, Council is providing additional information through media releases, social media and public meetings to assist the community to understand the documents and ask questions directly of Executive Management.

The first public meeting was held on 17 June 2026. The next public meeting will be held on 22 June 2026, from 5:30pm to 6:30pm at Rawson Hall. No registration is required and all members of the community are welcome to attend.

Council is forecasting a 2026–2027 operating shortfall of approximately $6.3 million before capital grants. After capital grants are taken into account, the projected deficit is approximately $6.2 million.

Importantly, only approximately $357,000 of this shortfall is attributable to traditional local government services. The majority of the projected deficit relates to the broader range of state-type and Commonwealth-type services Council delivers on Norfolk Island.

Council continues to engage with the Commonwealth Government regarding sustainable funding arrangements for these services.

DRAFT 2026-2027 ANNUAL BUDGET EXPLAINED

The Draft 2026-2027 Annual Budget is included in the Delivery Program 2026–2030 and Operational Plan 2026–2027 Public Exhibition Draft, available on Council's website at: www.nirc.gov.au/Public-Exhibition/IPR-Documents.

The Budget sets out Council's expected income and expenses for the 2026–2027 financial year. It reflects the cost of maintaining Council's broad range of local government, commercial, state-type and Commonwealth-type services.

Council expects to receive approximately $41.1 million in revenue during 2026–2027. Operating expenses are forecast at approximately $47.3 million.

This creates a projected deficit of approximately $6.2 million after capital grants, or approximately $6.3 million before capital grants.

The gap reflects the continuing challenge of funding the full range of services Council is required to deliver, particularly services that extend beyond traditional local government responsibilities.

WHERE THE MONEY COMES FROM

Most of Council's revenue is expected to come from:

- Fees and charges: $21.2 million
- Operating grants and contributions: $10.9 million
- Rates and annual charges: $3.9 million
- Other revenue: $3.8 million
- Interest and investment revenue: $0.8 million
- Capital grants: $0.1 million.

WHERE THE MONEY GOES

Council's largest expenses are forecast to be:

- Materials and contracts: $21.3 million
- Employee benefits and on-costs: $15.9 million
- Depreciation of Council assets: $10.2 million.

These three areas make up the majority of Council's annual expenditure.

BUDGET CASH FLOW

Council expects to generate approximately **$4.7 million in net cash** from operations during 2026–2027. At the same time, approximately a net amount of **$2.9 million is expected to be spent on infrastructure, property, plant and equipment**.

After these movements, Council's total cash balance is projected to increase **from $16.4 million at the start of the financial year to $18.4 million by year end.**

However, most of this cash is already committed for specific purposes. This includes:

- $4.6 million set aside for externally restricted purposes
- $14.1 million internally allocated by Council for specific purposes
    - including $10.5 million held in the asset replacement reserve for future infrastructure needs.

Once these commitments are taken into account, Council's unrestricted cash position is estimated to be negative $0.5 million. This means that, while Council's total cash balance is expected to increase, the cash available for everyday operations remains limited. This reinforces the ongoing financial constraints facing Council.

DRAFT CAPITAL BUDGET

Council is planning to invest approximately **$3.2 million in capital works during 2026–2027**. Most of this capital program will be funded from Council's existing cash reserves, with a smaller portion funded through grants.

The proposed capital works program is focused on maintaining and improving essential infrastructure and services across the Island. Key areas of investment include:

- Building upgrades and renewals
- Road and infrastructure works
- Plant and equipment replacement
- Electricity and wastewater services
- Fire and emergency services infrastructure
- Airport-related works.

HAVE YOUR SAY

Council encourages the community to review the Draft 2026-2027 Annual Budget as part of the broader suite of Integrated Planning and Reporting documents currently on public exhibition. Community feedback will be reviewed progressively as it is received.

Submissions close at **4:00pm on 29 June 2026.**

To view the documents and make a submission, visit: www.nirc.gov.au/Public-Exhibition/IPR-Documents. Hard copies are also available for viewing at Customer Care in the Bicentennial Complex, Taylors Road.

For enquiries, contact Customer Care at: customercare@nirc.gov.nf, +6723 22001, or local free call 0100.

ENDS