

MEDIA RELEASE

June 6, 2025

MEETING BRIEFS, COUNCIL MEETING HELD 3 JUNE 2025

DECISION ON OPERATIONAL PLAN AND BUDGET DEFERRED

The adoption of the Draft Operational Plan and Budget has been deferred to the 25 June 2025 meeting, though an amended motion by Council Administrators.

Both administrators noted that rating issues had been regularly raised by community members since commencing their roles, and this was borne out by the submissions received during the Public Exhibition period for the plan.

While three of the eleven submissions had been directly included in the Operational Plan and Budget, Lead Administrator Scott Mason said that a clearer picture of the variances and outliers within the rating categories was required.

“There is a need for revenue modelling as an operational activity in the budget, however some submissions suggest much higher figures, and that’s something we want to better understand.”

Financial Administrator Gary Mottau requested that a list of rateable assessments showing current and proposed levies and the percentage increase to be included in a business paper for the next meeting and also collated for public exhibition.

In deferring the adoption to later in the month, Mr Mottau said: “More time is also needed to identify the most beneficial approach to electricity supply infrastructure upgrade works.”

The electricity condition assessment received from GHD in April 2025 is also to be considered in the draft 2025-26 Operational Plan and Budget.

Three specific changes resulting from submissions received from the public have been wholly included in the revised draft.

They include changes to the Farmland rating categories, to be offset within the Business categories. revenue modelling, and the recruitment of a role within economic development and community engagement.

RESERVING FUNDS FOR CRITICAL AIRPORT INFRASTRUCTURE

While the organisation as a whole is anticipating a \$4.2M deficit for the next financial year, Norfolk Airport Management and Airport ARFFS is forecast to record a surplus of around \$1.8M this financial year.

With the airport being Council's key income-generating asset, its continual maintenance and renewal is vital to the island's economic health. Regardless of the expected deficit position, it is viable for Council to restrict funds to allow for its future depreciation costs.

A motion was adopted in the April meeting that airport internal cash restriction be 'cash equivalent to the depreciation expense, less the asset renewal expenditure each year, be quarantined as an internal restriction once Council achieves a surplus.'

The Administrators' intention is to put mechanisms in place to restrict cash for specific purposes in a transparent way, creating a precedent for open transparency for the future. It allows Council to have cash in reserve for the ongoing renewal of key assets.

By restricting cash from the airport fund, Council is recognising future costs associated with the airport and prioritising this income-producing asset ahead of others, such as electricity and telecom.

RESULTS OF ELECTRICITY REVIEW DUE IN JULY

Work continues on the full review of electricity infrastructure, tariff structures and rebate levels, with a final report expected to be presented to the July Council meeting.

Lead Administrator Scott Mason said the review will be a highly useful tool in meeting the challenges presented by a budget with \$4.2M deficit.

"We have finite resources and endless opportunities to apply those resources. So many assets need attention and prioritising our resources to where they need to go can sometimes appear difficult, particularly when talking about life sustaining services such as electricity," Mr Mason said.

The electricity review is being carried out by an independent consultancy firm Qubist, whose two representatives, Chris Amos and Petra Quartullo, recently visited the island to meet with key electricity stakeholders from across the island. They also met with all community members who wanted to share their views and experiences of all aspects of the electricity service.

Qubist is also looking closely at the infrastructure on-island and have spoken with electrical contractors and solar suppliers, relevant staff, solar and battery owners to help build a full picture of the production and supply of electricity on Norfolk.

While Qubist has completed the engagement with stakeholders, work is now being finalised on the assessment of the current tariff structure and future critical asset renewals. The report will include their recommendation for potential changes that would improve any of the

processes involved in the production, provision and billing of electricity, including service reliability and customer service.

Updates about the review will be shared with the community and a report will be presented to a future Council meeting.

SERVICE REVIEW AIMS FOR IMPROVEMENTS IN ALL AREAS

NIRC has committed to undertaking major service reviews across the organisation, with work on two key business units, Electricity and Norfolk Telecom, currently underway.

Several opportunities have already been identified and actioned, including the recent appointment of an airport manager, removing the need for contract staff.

In the waste management area, staff are investigating ways to reuse certain kinds of cardboard from the stockpile in ways which avoid the need to export it off island, reducing freight and related costs.

The cost of satellite backhauls, and ways to maintain or improve the service for best price, are also being reviewed, with the important role this infrastructure plays in education and health firmly in mind.

Service reviews are commonly undertaken in local government to create financial savings, streamline services, identify the gaps and make the best use of existing resources.

WASTEWATER MANAGEMENT STRATEGY ADOPTED

Council has adopted the Wastewater Management Strategy, following consideration of community feedback received during the Public Exhibition period.

The strategy was subject to 56 days of public exhibition, with ten submissions received and one community information session held on 27 March. During the public exhibition period, a survey was also promoted to community members and 47 surveys were completed. These activities provided Council with a large amount of information about community concerns and perceptions.

Submissions received clearly indicated that the community is very concerned about the environment, with the health of water in Emily and Slaughter Bays one of the most commonly mentioned topics.

The report to Council noted that the survey results also show that the community is concerned about water quality and outdated onsite wastewater management systems and most agreeing that modernising wastewater infrastructure is a priority. The high cost of replacement is seen to be beyond the capacity of the community, and there is a strong desire for subsidies to fund upgrades.

Other issues highlighted through the feedback related to lack of timeframes for action, and difficulty in interpreting maps showing setbacks and buffers.

Considerable effort was put into addressing the community concerns raised through the community engagement activity in the final version of the Strategy, which will be available to view on Council's website.

ENDS