

MINUTES

Ordinary Council Meeting

Menets

f daa Ordeneri Kaunsl Miiten

orn 6 Julai 2022

6 July 2022

**MINUTES OF NORFOLK ISLAND REGIONAL COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE NORFOLK ISLAND REGIONAL COUNCIL CHAMBERS
ON WEDNESDAY, 6 JULY 2022 AT 2:00PM**

PRESENT: Administrator Mike Colreavy

IN ATTENDANCE:

1 WELCOME

The Administrator 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 traditional custodians of this Island.

3 APOLOGIES

Nil

CONDOLENCES

The Administrator recorded the passing of:

- Sidney Alfred Moore Cooper, affectionately known as Coop, passed away on Saturday 4th June 2022 at Royal Brisbane Hospital.
- Phyllis Joyce Parker, passed away on Saturday 18th June 2022 at the Norfolk Island Hospital.
- Glenn Charles Blucher passed away on Thursday 30th June 2022 at the Norfolk Island Hospital.
- Elaine Kate Edward (Mis Norfolk) passed away on Tuesday 5th July 2022.

As a mark of respect to the memory of the deceased all present stood and observed a moment in silence.

4 DISCLOSURE OF INTEREST

NIL

5 CONFIRMATION OF MINUTES**5.1 MINUTES OF THE COUNCIL MEETING HELD ON 1 JUNE 2022****RESOLUTION 2022/80**

The Administrator resolved:

That the Minutes of the Council Meeting held on 1 June 2022 be received, taken as read and confirmed.

CARRIED**6 PUBLIC ACCESS**

The following speakers addressed Council on Item 9.1 at the Public Access session held on 5 July 2022:

- Lisle Snell
- Maria Christian
- Sally Rashbrooke
- Terence Grube
- Lisa Richards
- Rael Donde (for the ATA)

7 ADMINSTRATOR MINUTE

Nil

8 REPORTS FROM COMMITTEES**8.1 MINUTES OF THE YOUTH ADVISORY COMMITTEE MEETING HELD ON 19 MAY 2022****SUMMARY**

This report provides an overview of the outcomes of the inaugural Youth Advisory Committee (YAC) meeting on 19 May 2022.

RESOLUTION 2022/81

The Administrator resolved:

1. That the minutes of the Youth Advisory Committee (YAC) be received and the recommendations therein be adopted.
2. That Council support the creation of a student mobile 4G plan.
3. That Council commit to trialling a study session at the Public Library for 9 weeks during term three.

CARRIED

9 REPORTS FROM GENERAL MANAGER**9.1 DELIVERY PLAN 2022-2026 AND OPERATIONAL PLAN 2022-2023****SUMMARY**

This report recommends adoption of the Draft Delivery Program 2022-2026 and Operational Plan 2022-2023, noting the public submissions received and recommended changes to the draft documents.

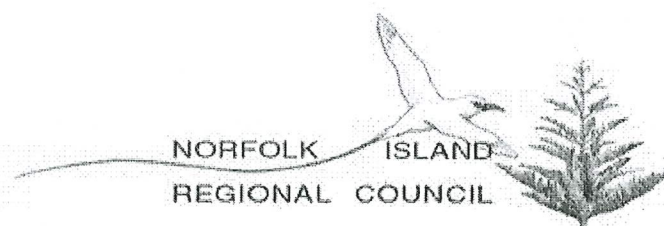
This report:

- Includes a brief overview of the development of the Delivery Program and Operational Plan;
- Summarises the outcome of the public exhibition process;
- Summarises the recommended changes to the documents; and
- Outlines the main financial implications to be considered.

The Enclosure consist of two parts:

- Part 1 - provides a summary of public submissions on the Draft Delivery Program 2022- 2026 and Operational Plan 2022-2023.
- Part 2 - provides a summary of recommended changes to the Draft Delivery Program 2022-2026 and Operational Plan 2022-2023.

Note that page number references refer to the public exhibition versions of the documents previously provided with the 24 May 2022 Business Paper. These versions of the documents can still be downloaded from the Norfolk Island Regional Council website <http://www.norfolkisland.gov.nf/2022-05-extraordinary-meeting-council-24-may-2022>



**Norfolk Island Regional Council
Council Meeting - 6 July 2022
NIRC Administrator's Preamble to Adopting
the 2022-2023 Operational Plan & Revenue Policy**

At this time last year, I said that Council was in a difficult position, trying to rectify the parlous financial circumstances it found itself in by the end of 2020, whilst not over-burdening local residents and visitors, so that it can recover sufficiently to meet the challenges that lie ahead. Since then, rectification measures have been underway, and these are in further evidence in the Integrated Planning & Reporting documents under consideration today.

Achieving the objectives of NIRC's *2021-2026 Community Strategic Plan*, the *Norfolk Island 9-Point Action Plan*, and implementing the recommendations of the *Nexia* and *Grassroots External Audit Findings* remain high priorities. But most pressing is the need to respond to the overall conclusions contained in the *Final Report of the Public Inquiry into the Norfolk Island Regional Council, 2021*¹ (the Report) that reflected on the unwillingness of the (then) elected Council to address the revenue shortfalls that happened each year from NIRC's inception in 2016, despite their power to do so. The *Draft 2022-2023 Operational Plan & Revenue Policy* charts a course for Council to address these revenue shortfalls.

I want to highlight some of the Public Inquiry Commissioner's conclusions about Council as a starting point for understanding the need to expand its revenue in response to well understood financial challenges. Commissioner McNally stated:

- *"In Chapter 5 (of the Report) the evidence focused on financial management from the time the Council was established on 1 July 2016 with a particular emphasis on the lack of action taken by the governing body on the revenue side in response to well understood challenges. That Chapter commenced with an understanding of the background and context to Council's financial position, which was not strong; and that was clearly recognised when Council staff came to prepare the first long term financial plan that was ultimately adopted in December 2016."*²
- *"The plan recognised the financial situation facing Council was unsustainable, a matter that needed to be addressed in a responsible and prudent manner. As a result, it proposed, and the governing body adopted, a cost recovery approach, described as 'optimistic but achievable.' That approach sought to ensure that the cost of the core services of telecommunications, electricity, sewage, waste, and the airport were met and funded through their operations, including provision for asset renewal."*³

- *“Asset renewal was critical since Council’s assets were mainly in a poor to very poor condition with nearly all critical assets approaching their end of useful life. At best, they required significant maintenance; at worst, they were physically unsound and beyond rehabilitation. The cost of maintaining ageing assets was significant and although poorly understood, the cost of replacing them well exceeded the existing cash reserves. Against this background, the \$9.4 million cash reserve that the Council inherited from the Administration, although probably sufficient to fund continuing operations, was not sufficient to enable the NIRC to repair, maintain and replace the assets and infrastructure that were also inherited.”*⁴
- *“The Audit Committee gave the same message: that in an ‘efficient responsible Council deficits in operations should ‘be paid for by the setting of special rates, fees and charges and through productivity efficiencies.’ The fundamental matter to emerge from Chapter 5 is that the governing body, despite the repeated advice of Council staff and the Audit Committee, was never prepared to implement the essential element of the plan.”*⁵
- *“Another failure to deliver effective financial and asset management is also reflected in the failure to establish a rates target. Whilst one can understand the reluctance of the governing body to embrace rates on Norfolk Island, that did not excuse them from giving effect to the principles of sound financial management prescribed by the applied Local Government Act 1993 (NSW) (NI). The end result of Council's rates policy was that rates levied on the proportion of total revenues was always under 5%, not 10% which the Audit Committee recommend, and which the former chair of the Audit Committee said, in her evidence to the Inquiry, is comparable to the rates levied by other councils. Although extra income of this order would not have solved all of the Council's financial problems, it would have made Council more sustainable over the long term.”*⁶
- *“Council's own source revenue (as a percentage of total revenue) decreased from 81.7% in 2016-2017 to around 70% in 2019-2020. Meaningful action was not taken by the governing body to reverse that trend.”*⁷
- *“In all of these critical funding areas, outlined in detail in Chapter 5, the governing body of the NIRC failed to deliver effective financial and asset management.”*⁸
- *“In my (the Commissioner’s) opinion, the governing body was reluctant to raise sufficient own source revenue to pay their way and thereby enable, or at least move towards enabling a truly balanced budget to be achieved. One result of this was that in the case of the net operating result for operations each year, excluding capital grants and unusual*

¹ C McNally, *Final Report of the Public Inquiry into the Norfolk Island Regional Council*, 4 November 2021. <https://www.infrastructure.gov.au/sites/default/files/documents/nirc-public-inquiry-final-report.pdf> at Page 170.

² C. McNally, *Ibid*, Paragraph 593 at Page 170.

³ C McNally, *Ibid*, Paragraph 594 at Page 170.

⁴ C McNally, *Ibid*, Paragraph 595 at Page 170.

⁵ C McNally, *Ibid*, Paragraph 596 at Pages 170-171.

⁶ C McNally, *Ibid*, Paragraph 597 at Page 171.

⁷ C McNally, *Ibid*, Paragraph 598 at Page 171

⁸ C McNally, *Ibid*, Paragraph 599 at Page 171.

items, proposed capital expenditure was regularly carried forward owing to Council having insufficient funds in that year to complete capital works. This ongoing inability to fund capital work was ultimately used to justify proceeding with the roads project, which followed and asserted under spend of \$1.9 million in the total roads' capital budget over the first three years of the Council. "⁹

- "Further, even though the NIRC was nevertheless able to develop a long-term resourcing and financial strategy, once it became clear that the assumptions underpinning those plans were not going to be achieved (in particular the assumed level of capital grant funding and level of own source revenue obtained through the business units and other fees and charges) the NIRC and governing body failed to take action to correct the situation. This is most clearly reflected in Council's failure to respond when Council was unable to secure the projected capital expenditure grants contained in the plan that included \$5 million per annum for necessary capital replacement works."¹⁰
- "Without that funding, there was little scope in the Long-Term Financial Plan to enable the sort of asset repair, renewal and replacement that was required given the state of the Council's assets and infrastructure. Against that background, action was required by the governing body to consider options to increase its own source revenue sources and to make appropriate adjustments to its long-term strategy."¹¹
- "The Council adopted a strategy to address the poor state of the assets. It was underpinned by a number of assumptions. Those assumptions were not born out. The problem was compounded by less than expected revenue and departures by the NIRC from the long-term financial strategies adopted by it. This resulted in the deferral of critical work. In the result, the Council's assets remain, by and large, in a state of disrepair."¹²
- "Chapter 7 (Council's Cash Crisis (2019 through to January 2021) follows on from the problems identified in each of Chapters 5 (Financial that Performance Management and Reporting) and 6 (Asset Management) and focuses upon the collapse of the Council's cash position following the decisions about the airport and roads projects. At the broadest level of generality, these decisions of the governing body bring into focus the failure to engage with the revenue problems and a failure to assess and manage financial risk that were well known and understood by the governing body."¹³
- "Council's failure to engage with its Audit Committee and apply its risk management policy in considering these critical decisions allowed the combined effect of both the airport and roads decisions to seriously impair Council's, financial stability as Chapter 7 describes."¹⁴
- "Although the COVID-19 pandemic magnified the effect of these decisions on the Council's financial position, it was not the primary cause, particularly in light of Council's failure to

⁹ C McNally, Ibid, Paragraph 601 at Page 171.

¹⁰ C McNally, Ibid, Paragraph 602 at Page 171-172

¹¹ C McNally, Ibid, Paragraph 603 at Page 172.

¹² C McNally, Ibid, Paragraph 606 at Page 172.

¹³ C McNally, Ibid, Paragraph 607 at Page 172.

¹⁴ C McNally, Ibid, Paragraph 615 at Page 174.

take necessary steps to raise revenue to fully recover its costs and maintain sufficient cash reserves to provide for contingencies.”¹⁵

In the context of the Commissioner’s criticisms of Council outlined above, the 2022-2023 *Operational Plan & Revenue Policy* needed to re-orient Council’s revenue trajectory including new revenue measures aimed at delivering responsible financial management. Later in this preamble I will announce changes to the makeup of the rates and charges, resulting from a generous \$1M subsidy agreement with the Australian Government (\$200K towards rates and \$800K towards waste management charges) to apply in 2022-2023 that will cushion their immediate impact for ratepayers enabling Council to stage the necessary increases over a longer timeframe.

Council Services

Without a Commonwealth bailout, the financial implosion that Council faced towards the end of 2020 would have put at risk every service that Council delivered. The value of these services far exceeds the amount collected in rates. They include:

As Council

- Roads upgrades and repairs
- Parks upgrades and maintenance
- Library services
- Radio transmission
- Phone and internet services
- Liquor Bond
- Tourism promotion
- Airport operation
- Fire brigade service
- Electricity generation and distribution
- Waste management services
- Water and sewerage maintenance
- Lighthouse services
- Quarry services
- Advocacy
- Governance and administration
- Accommodation services for Qld service staff

Under the SDA

- Registrar of probates
- Courts, tribunals, and boards
- Registry & licensing
- Emergency management
- KAVHA payroll and HR management
- Work health and safety
- Public health
- Provision of gaming services
- Ports management
- Records management
- Spatial policy and planning

¹⁵ C McNally, *Ibid* at Page 174.

Public Submissions

Council has received some 432 written submissions on the *2022-2023 Draft Operational Plan & Revenue Policy*. As was their democratic right, one local group organised a 'community rally against the rates increase' offering to provide the community with:

"everything you need to write your submission, guides, templates, pens, paper and people to help on hand."

I have looked at all of these submissions, and I have met with individual submitters either during the exhibition period or through the Public Access sessions, gaining insight into their submission and the community's impressions about the proposed revenue policy, and the rates and charges. These have assisted me to formulate Council's decisions today.

At the outset I will re-state what I said last year – '*Council must and should raise sufficient funds to deliver fundamental services that the community needs and which they enjoy collectively.*' This approach aligns with the conclusions of the *Public Inquiry Report*.

I also said last year that '*rates and charges are a tax on the community to deliver services. They are not rent. They are a contribution towards local service delivery.*' My appointment as Administrator is made under the *Local Government Act 1993 (NSW) (NI)*. That legislation is effectively the foundation for Council's governance, including its revenue framework. Many submitters called for different ways of funding NIRC, including introducing some form of GST in lieu of land rates and charges. These suggestions go far beyond my powers as NIRC's Administrator. I have to apply the foundational legislation that currently applies to Norfolk Island.

While the imposition of higher rates and charges is never warmly embraced anywhere that I know of, the extent of resentment that pervades here seems to have been exacerbated by notions of local sovereignty and a view of Island history held by people of apparent influence, including within the rally organisers referred to above who assert that Norfolk Island is not subject to the jurisdiction of the Australian Government, and that the imposition of any form of rates or charges under Australian laws is *ultra vires*. Although that view was reinforced to me in Public Access only yesterday, it is not for me to adjudicate, and it did not receive any weight in my deliberations.

Agreement with the Commonwealth - Subsidy

During the submission period, talks were ongoing between Council and Australian Government representatives and an agreement has been reached which, in response to community feedback and the ongoing impacts of COVID-19 achieves the following:

- The Australian Government and NIRC remain committed to working together for the long-term, sustainable governance of the Norfolk Island community.
- Proposed increases in rates and waste management charges were outlined in the *NIRC 2022-2023 Draft Operational Plan & Revenue Policy*, which was released for public comment on 24 May 2022, and is up for consideration at this Council meeting on 6 July 2022.

- The Australian Government and the Norfolk Island Regional Council have agreed the proposed increases in land rates and waste management will now be staggered over multiple financial years.
- The proposed increases in rates and waste management charges will now be phased in and the Commonwealth will provide \$1 million of additional funding in the 2022-23 financial year to support this staged introduction.
- Under the revised plan, the revenue raised through rates and waste management charges in 2022-23 will be limited to a 25% increase on the total rates and waste management charges calculations.
- The introduction of rating sub-categories means that rates will now be distributed in a more equitable and sustainable way.

The Minister for Regional Development, Local Government and Territories, Kristy McBain MP has been discussing the community's concerns with me and has said to me that she had heard the community's concerns loud and clear and empathised with the challenges people were facing in adjusting to the changes. She told me that the past few years have been incredibly difficult for so many people and that she understands the impacts COVID-19 has had on individuals and businesses. We have agreed the community needs additional time to plan and budget for these increases in rates and waste management charges.

The Minister is working on progressing other initiatives which would support sustainable waste management on Norfolk Island and assist delivery of waste and recycling services. She is planning on visiting Norfolk Island in coming weeks and will have more to share on this soon.

For the reasons described above, rates and charges need to increase in the financial years ahead, so the community can continue to receive essential services and improvements to available services. Numerous submitters asserted the proposed percentage increases in rates and waste management charges were excessive compared with NSW councils that are subject to the Independent Pricing and Regulatory Tribunal (IPART) which (as they point out) set a 0.7% permissible increase for 2022-2023. The assertion fails to understand the separate special rate variation process that enables the standard IPART approved permissible rate increase to be exceeded, which happens frequently. It also fails to comprehend that rates and charges on Norfolk Island are starting off a very low base compared to NSW councils. As the Public Inquiry concluded, Council's exceptionally low own source revenue level reflected a failure to take up the revenue opportunities available to it. This approach resulted in virtual insolvency by December 2020.

Some submitters argued that the \$500K surplus proposed for 2022-2023 is excessive. There should be no misunderstanding that this level of surplus is necessary to move Council towards the recommended unrestricted cash level for Council – the working capital necessary to run the business. No business can operate without working capital. In December 2020 Council was experiencing a cash crisis. In fact, it was about to run out of cash altogether. When I was approached in December 2020 by the Australian Government to undertake the Interim Administrator's role, I was informed that, without a government bail-out, Council would become insolvent by the following week. The situation was and still is profoundly serious. It is a direct result of Council spending more than it earned. Council's financial situation cannot be passed off

as 'all fixed' in December 2020, as some submitters imply. The Norfolk Island community is extremely fortunate that the Australian Government rescued NIRC from insolvency. Insolvency would have imperilled every service that the community enjoys from NIRC. The community needs to accept some of the responsibility for ensuring that NIRC is adequately resourced. But we appreciate people need more time for this to occur. The additional Australian Government subsidy will allow a staged introduction of rates and waste management charges over the years ahead, so the community can prepare for the changes. It is important to note that in 2022-2023 most residential properties will see a decrease in their rates and waste management charges compared with the original proposal. Businesses will be able to plan for increases to be passed on to visitors as needed.

Waste Management Charges

Again, this year the Waste Management charge has had the most commentary in the submissions from the community. During detailed conversations with those that met with me last year, 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 has made changes over the past 12 months.

But that aside, I need to make clear what our decision regarding the proposed increase in waste management charges was about. We are redressing the situation of waste management here on Norfolk Island. It was impossible to align the past practice of dumping waste into the Ocean with Norfolk's stated aspiration to be '*the best small island in the world.*' Following the fee introduced as a first step last year, differential charges are proposed for the next year. Our process is maturing, and we will continue to make changes as we develop. This will lead to reductions in costs through better management of existing processes, and we have already ended disposal into the Ocean at Headstone. Importantly, Council has committed to new initiatives over the short and medium term to better deal with one of the community's biggest challenges.

During my meetings with submitters, a consistent theme was raised around the levying of waste charges on an accommodation sector with uncertain, and at times very low, occupancy rates. The most comprehensive submission I received around the waste management charge was from the ATA. I accept the ATA's assertion that there will be little downstream revenue for anyone if the tourism sector is not viable. They put a considerable amount of time and thinking into their submission, and I want to publicly thank them for this. The \$800K Australian Government subsidy that I have referred to above will result in a significant reduction in the waste management charges for not only the Accommodation sector, but all sectors, from those originally proposed. For example, the Australian Government subsidy enables the waste management charge for the Accommodation sector to be reduced from \$746.14 to \$139.54 per room.

Although most submitters seemed to understand the rating and charging impacts stated in NIRC's documentation, some mistook total revenue figures for one or other rating sub-category for the rates and charges applicable to their own property. This mistake produced some of the astounding interpretations that you relayed to me in submissions and Public Access sessions. While some 'got it' others did not. I apologise if NIRC's documentation contributed to these misunderstandings.

The charges in the Operational Plan strike a balance between the resident and visitor populations. Most business enterprises of the Council, being the 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.

A clear message I received from the community through the submission process last year was a plea to reduce expenditure. From shutting services down, improving productivity, removing positions that are not needed, and outsourcing. Council did exactly that within the 2021-2022 budget by setting a target for the General Manager to achieve a 5% efficiency gain and 5% service review. Although a difficult challenge, equating to millions of dollars, this was achieved during the past year.

Finally, 'communication' was raised by many submitters. It is incumbent on Council to be open, honest, and transparent in its dealings with the community. This year, the Draft 2022-2023 Operational Plan received extensive media coverage including:

- Norfolk Online
- Norfolk Islander
- NIRC Website
- Norfolk Fuss – Special Edition

The sheer number and overall quality of the submissions received demonstrates that the community was well informed about the contents of the Drafts, and particularly about their revenue impacts from rates and charges. Notwithstanding that, Council will re-double its efforts to communicate effectively with the community in 2022-2023 starting with communications about the most appropriate way forward for future rates and charges.

Once again, this year there is a very full program ahead for the Council team, and one that will continue to address our financial position in line with the Commonwealth's requirements of my appointment.

I will be writing to everyone who made a submission on the *2022-2023 Operational Plan and Revenue Policy* to thank them for their genuine interest in NIRC's future success.

Finally, this preamble will be incorporated into the Minutes of this Council meeting.

Mike Colreavy
NIRC ADMINISTRATOR
6 July 2022

RESOLUTION 2022/82

The Administrator resolved:

1. That Council notes the submissions of the public exhibition of the draft Delivery Program 2022-2026 and Operational Plan 2022-2023 as listed in part 1 of the enclosure;
2. That Council endorses the recommended changes to the draft Delivery Program 2022-2026 and Operational Plan 2022-2023, outlined in part 2 of the enclosure;
3. That Council adopts the Delivery Program 2022-2026 and Operational plan 2022-2023 including the changes in part 2 of the enclosure;
4. That Council delegates to the General Manager the power to make grammatical and formatting changes to the Delivery Plan 2022-2026 and Operational Plan 2022-2023, if required, after their adoption by Council and prior to publishing the documents for public access; and
5. That Council approves:
 - a) the 2022-2023 budget and proposed expenditure as detailed in the Operational Plan;
 - b) Makes and levies the following Ordinary rates in accordance with s.534, s535 and s.537 of the *Local Government Act 1993 (NSW)(NI)*, as amended, for the 2022-23 financial year incorporating the Farmland, Residential and Business categories as follows:-

Ordinary Rates

Rates are hereby made and set within the Rating Categories as follows:-

	Category	Base Rate \$	Ad Valorem Multiplier
1	Residential – Small	115.34	0.001271621
2	Residential – Medium	182.65	0.001271621
3	Residential – Large	287.82	0.001271621
4	Farmland – Small	221.66	0.001825191
5	Farmland – Medium	343.80	0.001825191
6	Farmland – Large	743.53	0.001825191
7	Business - Accommodation A	1,952.15	0.008531862
8	Business - Accommodation B	2,591.63	0.008531862
9	Business - Accommodation C	2,611.79	0.008531862
10	Business - Accommodation D	2,611.79	0.008531862

11	Business - Shops/Retail A	915.20	0.008531862
12	Business - Shops/Retail B	1,264.92	0.008531862
13	Business - Building Supplies	1,096.92	0.008531862
14	Business – Café/Restaurant A	658.43	0.008531862
15	Business – Café/Restaurant B	1,750.32	0.008531862
16	Business - Service Station	2,057.02	0.008531862
17	Business - Car Rentals	971.89	0.008531862
18	Business - Clubs/Bars A	2,521.67	0.008531862
19	Business - Clubs/Bars B	2,521.67	0.008531862
20	Business - Supermarket or Shopping Facility – Small	833.55	0.008531862
21	Business - Supermarket or Shopping Facility – Large	4,903.24	0.008531862
22	Business – Other	1,265.46	0.008531862
23	Mining	-	-

i. RESIDENTIAL – Small

Rate of zero point zero zero one two seven one six two one (0.001271621) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Residential – Small** Land sub-categorisation as residential under section 516 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and has an area less than or equal to 0.3 hectares, subject to a base amount of one hundred fifteen dollars and thirty four cents (\$115.34) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Residential - Small General rate subcategory; and,

ii. RESIDENTIAL - Medium

Rate of zero point zero zero one two seven one six two one (0.001271621) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Residential – Medium** Land sub-categorisation as residential under section 516 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and, has an area greater than 0.3 hectares and less than or equal to 1 hectare, subject to a base amount of one hundred eighty two dollars and sixty five cents (\$182.65) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Residential - Medium General rate subcategory; and

iii. RESIDENTIAL – Large

Rate of zero point zero zero one two seven one six two one (0.001271621) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Residential – Large** land sub-categorisation as residential under section 516 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and has an area greater than 1 hectare, subject to a base amount of two hundred eighty seven dollars and eighty two cents (\$287.82) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Residential - Large General rate subcategory; and

iv. FARMLAND – Small

Rate of zero point zero zero one eight two five one nine one (0.001825191) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Farmland – Small** sub-categorisation as farmland under section 515 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and has an area less than or equal to 1 hectare, subject to a base amount of two hundred twenty one dollars and sixty six cents (\$221.66) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Farmland - Small General rate subcategory; and

v. FARMLAND – Medium

Rate of zero point zero zero one eight two five one nine one (0.001825191) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Farmland – Medium** sub-categorisation as farmland under section 515 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and has an area more than 1 hectare and is less than or equal to 3 hectares, subject to a base amount of three hundred forty three dollars and eighty cents (\$343.8) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Farmland - Medium General rate subcategory; and

vi. FARMLAND – Large

Rate of zero point zero zero one eight two five one nine one (0.001825191) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Farmland – Large** sub-categorisation as farmland under section 515 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and has an area greater than 3 hectare, subject to a base amount of seven hundred forty three dollars and fifty three cents (\$743.53) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Farmland - Large General rate subcategory; and

vii. BUSINESS - Accommodation A

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Accommodation A** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); is a tourist accommodation house other than a hotel; and comprises no more than 10 accommodation units; where 'tourist accommodation house', 'hotel' and 'accommodation unit' have the same meaning as in the Tourist Accommodation Act 1984 (NI), subject to a base amount of one thousand nine hundred fifty two dollars and fifteen cents (\$1952.15) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Accommodation A General rate subcategory; and

viii. BUSINESS - Accommodation B

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Accommodation B** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); is a tourist accommodation house other than a hotel; and (c) comprises more than 10 but less than 21 accommodation units; where 'tourist accommodation house', 'hotel' and 'accommodation unit' have the same meaning as in the Tourist Accommodation Act 1984 (NI), subject to a base amount of two thousand five hundred ninety one dollars and sixty three cents (\$2591.63) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Accommodation B General rate subcategory; and

ix. BUSINESS - Accommodation C

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Accommodation C** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); is a tourist accommodation house other than a hotel; and comprises 21 or more accommodation units; where 'tourist accommodation house', 'hotel' and 'accommodation unit' have the same meaning as in the Tourist Accommodation Act 1984 (NI), subject to a base amount of two thousand six hundred eleven dollars and seventy nine cents (\$2611.79) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Accommodation C General rate subcategory; and

x. BUSINESS - Accommodation D

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Accommodation D** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); and is a tourist accommodation house being a hotel; where 'tourist accommodation house' and 'hotel' have the same meaning as in the Tourist Accommodation Act 1984 (NI), subject to a base

amount of two thousand six hundred eleven dollars and seventy nine cents (\$2611.79) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Accommodation D General rate subcategory; and

xi. BUSINESS - Shops/Retail A

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Shops/Retail A** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the sale of goods to the public; and has an area less than or equal to 1,000 square metres; but excludes land categorised as Business – Supermarket or Shopping Facilities – Small, or Business – Building Supplies, subject to a base amount of nine hundred fifteen dollars and twenty cents (\$915.2) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Shops/Retail A General rate subcategory; and

xii. BUSINESS - Shops/Retail B

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Shops/Retail B** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI), has a primary use of the sale of goods to the public; and has an area greater than 1,000 square metres; but excludes land categorised as Business – Supermarket or Shopping Facilities – Large, or Business – Building Supplies, subject to a base amount of one thousand two hundred sixty four dollars and ninety two cents (\$1264.92) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Shops/Retail B General rate subcategory; and

xiii. BUSINESS - Building Supplies

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Building Supplies** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the sale of building and construction supplies, subject to a base amount of one thousand ninety six dollars and ninety two cents (\$1096.92) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Building Supplies General rate subcategory; and

xiv. BUSINESS - Café/Restaurant A

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business – Café/Restaurant A** sub-categorisation as business under section

518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of preparing and selling food and drink for consumption on or off the land (and may include the ancillary sale of liquor for consumption on the land), has an area less than or equal to 1,000 square metres, subject to a base amount of six hundred fifty eight dollars and forty three cents (\$658.43) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business – Café/Restaurant A General rate subcategory; and

xv. BUSINESS - Café/Restaurant B

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business – Café/Restaurant B** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of preparing and selling food and drink for consumption on or off the land (and may include the ancillary sale of liquor for consumption on the land), and has an area greater than 1,000 square metres, subject to a base amount of one thousand seven hundred fifty dollars and thirty two cents (\$1750.32) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business – Café/Restaurant B General rate subcategory; and

xvi. BUSINESS - Service Station

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Service Station** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the retail sale of fuel (and may include the ancillary maintenance, repair or servicing of vehicles, or ancillary sale of miscellaneous items), and has an area greater than 1,000 square metres, subject to a base amount of two thousand fifty seven dollars and two cents (\$2057.02) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Service Station General rate subcategory; and

xvii. BUSINESS - Car Rentals

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Car Rentals** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the hire of vehicles to the general public, either for short or long term hire, subject to a base amount of nine hundred seventy one dollars and eighty nine cents (\$971.89) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Car Rentals General rate subcategory; and

xviii. BUSINESS - Clubs/Bars A

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Clubs/Bars A** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the sale of liquor for consumption on the land (and may include ancillary entertainment activity and preparing and selling food for consumption on the land); and has an area less than or equal to 1,000 square metres, subject to a base amount of two thousand five hundred twenty one dollars and sixty seven cents (\$2521.67) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Clubs/Bars A General rate subcategory; and

xix. BUSINESS - Clubs/Bars B

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Clubs/Bars B** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of the sale of liquor for consumption on the land (and may include ancillary entertainment activity and preparing and selling food for consumption on the land); and has an area greater than 1,000 square metres, subject to a base amount of two thousand five hundred twenty one dollars and sixty seven cents (\$2521.67) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Clubs/Bars B General rate subcategory; and

xx. BUSINESS - Supermarket or Shopping Facility – Small

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Supermarket or Shopping Facility – Small** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of: a supermarket; or a group of shops containing a supermarket; and has an area less than or equal to 1,000 square metres, subject to a base amount of eight hundred thirty three dollars and fifty five cents (\$833.55) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Supermarket or Shopping Facility - Small General rate subcategory; and

xxi. BUSINESS - Supermarket or Shopping Facility – Large

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business - Supermarket or Shopping Facility – Large** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); has a primary use of: a supermarket; or a group of shops containing a supermarket; and has an area greater than 1,000 square metres, subject to a base amount of four thousand nine hundred three dollars and twenty four cents (\$4903.24) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate

levy for the Business - Supermarket or Shopping Facility - Large General rate subcategory; and,

xxii. BUSINESS – Other

Rate of zero point zero zero eight five three one eight six two (0.008531862) in the dollar on the land value of all rateable land in the area which has been categorised by the Council as **Business – Other** sub-categorisation as business under section 518 or 519 of the Local Government Act 1993 No 30 (NSW) (NI); does not meet the definition of any other business category (categories 7-24), subject to a base amount of one thousand two hundred sixty five dollars and forty six cents (\$1265.46) in respect of each separate parcel with the base amount producing forty five percent (45%) of the total amount of the rate levy for the Business - Other General rate subcategory; and

xxiii. MINING

Characterised as mining as defined in section 517 or 519 of the Local Government Act 1993 No 30 (NSW) (NI).

FEES & CHARGES

- c) Council adopts the proposed fees as tabled in the Operational Plan 2022-2023.

WASTE MANAGEMENT CHARGES

- d) In accordance with Section 501 of the *Local Government Act 1993 (NSW) (NI)* and as detailed in Enclosure Part 2 - Fees and Charges 2022-2023 showing Sub-categories for Waste Management Charges - on Council Meeting Agenda Page 62 (6 July 2022).

INTEREST CHARGE ON OVERDUE RATES AND CHARGES

INTEREST ON OVERDUE RATES AND CHARGES – Section 566, *Local Government Act, 1993 (NSW)(NI)*

- e) In accordance with the provisions of Section 566 of *the Local Government Act, 1993 (NSW) (NI)*, the interest rate to apply to overdue rates and charges for the period 1st July 2021 to 30th June 2023 will be the maximum rate of 6%.

INTEREST ON OVERDUE DEBTORS

- f) The interest rate to apply to overdue DEBTORS for the period 1st July 2022 to 30th June 2023, will be the maximum rate of 6%.

DISTRIBUTION

6. That the plans, now adopted, be placed on the Council's website and a copy provided to the Department.

CARRIED

9.2 ANNUAL REPORT 2020 – 2021**SUMMARY**

The draft 2020-2021 Norfolk Island Regional Council Annual Report (2020-2021 Annual Report) is presented for Council's consideration and adoption.

RESOLUTION 2022/83

The Administrator resolved:

That:

1. Council adopts the draft 2020-2021 Norfolk Island Regional Council Annual Report;
2. Council delegates to the General Manager the power to make minor grammatical and formatting changes to the 2020-2021 Norfolk Island Regional Council Annual Report; if required, after its adoption by Council and prior to publishing the document for public access;
3. Council notes the General-Purpose Financial Statements for the year ended 30 June 2021.
4. That the progress report on the 2020-2021 Delivery Program & Operational Plan be received and noted.
5. A copy of the 2020-2021 Annual Report be posted on the Council's website and provided to the Department.

CARRIED

9.3 SEA FREIGHT SOLUTION - NIRC & COMMUNITY REQUIREMENTS**SUMMARY**

For the past few years, Council has been unable to source a reliable and regular sea freight solution for general operations and project cargo. Operational improvements to infrastructure such as roads, buildings, and parks are constrained by logistics either by weight, size and certainty. Similarly, projects cannot be commenced or finished due to regular delays in supplies to Island, with this also being the case for the wider community. Furthermore, council cannot meaningfully engage in economic development across tourism, retail or agriculture unless a reliable sea freight service can be sourced for the Island.

Whilst Council continues to explore solutions for a safer port at Cascade, and RORO solutions for Ball Bay (please see attached), both these require significant infrastructure investment within a marine park environment which constitutes lengthy assessment and approval processes.

Any solution to provide a safe working harbor is at least two years away through the regulatory framework that is now in place with the Department of Agriculture, Water & Marine.

As such, a solution to work with existing infrastructure on Norfolk Island for the next two years is required immediately.

RESOLUTION 2022/84

The Administrator resolved:

1. That subject to securing financial support to underwrite the proposed sea-freight service from the Department of Infrastructure, Regional Development, Local Government and Territories for the initial trial period of two voyages, and then if successful for a 2-year term of the proposed service contract:
 - a. Council instructs the General Manager to negotiate contractual terms with Guardian Offshore AU for a sea-freight services; and
 - b. Council instructs the General Manager to negotiate terms of engagement for a local freight forwarding firm to manage the sale of space for the initial trial and then if successful, for 15 voyages from Australia and 15 from New Zealand each year for two years.
2. That once the above terms are agreed, Council inform the community of the arrangements.

CARRIED

9.4 PEAK SERVICES - PERFORMANCE REVIEW**SUMMARY**

Resolution 2021/140 formally engaged Peak Services for a period of 12 months to provide services to NIRC in the areas of governance, finance, workplace health & safety, human resources, communications, and procurement.

RESOLUTION 2022/85

The Administrator resolved:

That Council:

1. Receives and notes the first report from Peak Services on the provision of local government services for NIRC;
2. Approves the General Manager to have delegated authority to negotiate terms to extend the arrangement with Peak Services for a further 3 years;
3. Requests quarterly reports to be presented to Council in a report card format.

CARRIED**10 REPORTS FROM MANAGER CORPORATE AND FINANCE****10.1 NIRC INVESTMENT REPORT AS AT 31 MAY 2022****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 2022

RESOLUTION 2022/86

Moved: Administrator Mike Colreavy

That Council notes the information provided in this report.

CARRIED**11 REPORTS FROM MANAGER ECONOMIC DEVELOPMENT**

Nil

12 REPORTS FROM MANAGER SERVICES

Nil

13 REPORTS FROM MANAGER PLANNING AND ENVIRONMENT

SUMMARY

Under Section 44 of the *Planning Act 2002 (NI)* (the Act) development applications for 'permissible (with consent) use or development' are to be referred to the Council together with a copy of any submissions and a report and recommendation on the application. After the application and recommendation has been referred to Council, Council makes a recommendation on the application and refers that recommendation to the Minister.

At the Ordinary Meeting of Council on 1 September 2021 the Interim Administrator resolved (Resolution 2021/125) to delegate to the General Manager, Council's functions specified in sections 44(2) and 44(4) of the *Planning Act 2002 (NI)* to make recommendations on development applications for 'permissible (with consent) use or development' that meet criteria identified in that Resolution and to refer those recommendations to the Minister in accordance with that resolution.

DA.BA 40/2021 (as amended) does not meet the criteria identified in Resolution 2021/125 for the General Manager to make recommendations on the development application to the Minister's delegate; as the planning assessment of the proposed development concludes that the development does not comply with the objectives and specified considerations for the variation of the applicable development standards for boundary setbacks.

Accordingly, application DA.BA 12/2021 is referred to Council for consideration and a recommendation under section 44 of the *Planning Act 2002 (NI)*:

AMENDED DA.BA 40/2021

- Applicant: L M Boler & R N Boler
- Subject Land: Portion Lot: 128 Sec: 27 Por: 35f5 Sh: 72, Ferny Lane
- Zoning: Mixed use
- One Uninhabitable Shed (encroaching into minimum rear and side boundary setbacks)

One submission was received in response to the invitation for written submissions on the Application. The Application and Assessment Report have been viewed by the Council and the Application is available for viewing by the public at the Planning Office. The Assessment Report may be viewed by the public after a decision is made (section 48 c) under the *Planning Act 2002 (NI)*.

It is recommended that Council recommends to the Minister's delegate that the development application be refused for the reasons in the recommended Notice of Decision.

RESOLUTION 2022/87

The Administrator resolved

That:

1. The Norfolk Island Regional Council, pursuant to section 44(2) of the *Planning Act 2002 (NI)*, makes a recommendation to refuse Amended DA.BA 40/2021, described below, for the reasons presented in the recommended Notice of Decision:

- Applicant: L M Boler & R N Boler
 - Subject Land: Portion Lot: 128 Sec: 27 Por: 35f5 Sh: 72, Ferny Lane
 - Zoning: Mixed use
 - One Uninhabitable Shed (encroaching into minimum rear and side boundary setbacks)
- and
2. The Norfolk Island Regional Council, pursuant to section 44(4) of the *Planning Act 2002 (NI)*, refers Amended DA.BA 40/2021 to the Minister's delegate with Council's recommendations on the application.

Michael Colreavy
 Administrator, Norfolk Island Regional Council

CARRIED

14 REPORTS FROM MANAGER CUSTOMER SERVICE

14.1 COMMUNITY STRATEGIC PLAN GRANT PROGRAM

SUMMARY

Applications for the Community Strategic Plan Grant Program 2021-2022 have been reviewed and those considered eligible for funding under this program are outlined in this report.

RESOLUTION 2022/88

The Administrator resolved:

That Council approve the funding for the three applications outlined in the table below.

Organisation Name	Project	Grant Total
Norfolk Island Girl Guides	Construct a disability access ramp to the Girl Guide Hall	\$5,000
Norfolk Island Sustainability Hub	Procurement of IT equipment for the NI Sustainability Hub building	\$4991
Norfolk Island Conservation Volunteers	The purchase of tools to be used in the eradication of the Madeira Vine in 100 Acres	\$1,109

CARRIED

15 NOTICES OF MOTION

Nil

16 URGENT BUSINESS WITHOUT NOTICE

Nil

17 CONFIDENTIAL MATTERS FOR CONSIDERATION

Nil

18 QUESTIONS FOR THE NEXT MEETING

The next Ordinary Meeting of Council will take place on Wednesday 3 August 2022 to be held at the Norfolk Island Regional Council Chambers commencing at 2:00pm.

There being no further business the Administrator declared the meeting closed at 3:15 pm.

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 6 July 2022.

Submitted to the Ordinary Meeting of Council held on Wednesday 3 August 2022.

NIRC Administrator

Mr. Mike Colreavy

NIRC Acting General Manager

Mr. Paul Martin

Date 3 August 2022

Date 3 August 2022