

FIT FOR THE FUTURE 2024

Mike Colreavy - Administrator Norfolk Island Regional Council



DEFINITIONS

Administrator - the Administrator of Norfolk Island Regional Council (Mike Colreavy) appointed by the Australian Government

Council – Norfolk Island Regional Council (NIRC), or its governing body

CEO – NIRC’s Chief Executive Officer

CPI – Consumer Price Index

Department – DITRDC&A

DITRD&C – Department of Infrastructure, Transport, Regional Development, Communications, and the Arts

EAFs – External Audit Findings¹

EAFIGP – EAF Improvement Program

EV – Electric vehicle

GTP – Gross Territorial Product

JSC – Joint Standing Committee on the National Capital and External Territories

JSC Report – ‘*Restoring Democracy*’ - Report of the inquiry into local governance on Norfolk Island²

LGAQ – Local Government Association of Queensland

Minister – The Hon Kristy McBain MP, Minister for Regional Development, Local Government & Territories

NI – Norfolk Island

NIGC – Norfolk Island Governance Committee

NIRC – Norfolk Island Regional Council

Public Inquiry Report – *Final Report of the Public Inquiry into the Norfolk Island Regional Council, 2021*³

Report – this Administrator’s Report

RORO – Roll on / roll off Port facility

RPI – Norfolk Island Retail Price Index

SDA – Service Delivery Agreement Between DITRD&C and NIRC

The Act – Local Government Act 1993 (NSW) (NI)

TtoS – NIRC’s Transition to Sustainability Improvement Program

¹ External Audit Findings (EAFs) from two reports on NIRC: Grassroots Connections Australia Pty Ltd, *Norfolk Island Regional Council Independent Governance and Financial Audit – Report for the Commonwealth Department of Infrastructure, Transport, Regional Development and Communications*. 15 November 2020; and Nexia Australia, *Norfolk Island Regional Council – Independent Audit of Financial Performance on Behalf of the Department of Infrastructure, Transport, Regional Development and Communications*. 30 October 2020.

² Joint Standing Committee on the National Capital and External Territories (JSC), *Restoring Democracy – Report of the inquiry into local governance on Norfolk Island, Commonwealth of Australia*, November 2023. Page xv.

³ 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>

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31 July 2024

The Hon Kristy McBain MP
Minister for Regional Development, Local Government and Territories
Parliament House
CANBERRA ACT 2600

Email: minister.mcbain@infrastructure.gov.au

Dear Minister

The following Report No 8 has been prepared in compliance with the direction in the instrument of my appointment as Administrator at Norfolk Island Regional Council dated 6 December 2021.

Yours sincerely



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ADMINISTRATOR

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NORFOLK
ISLAND
Regional Council





CONTENT

INTRODUCTION.....	6	Conservation & protection	28
Recommendations	8	State of the Environment Report	29
A BRIEF HISTORY	10	Norfolk Island Environmental Assessment	29
1979 to 2019.....	11	Public reserves.....	29
Norfolk Island Act 1979	11	Marine Parks.....	31
Abolition of Legislative Assembly 2015	11	Feral animal, pest and vermin control	32
New NIRC 2016	12	Infrastructure & asset managemnt	34
Norfolk Island Inquiry 2019	13	Asset management improvement program	35
2020 to 2024.....	14	Asset upgrades.....	35
Appointment of General Manager.....	14	Infrastructure upgrades	36
External audits.....	14	COVID-19 stimulus funding projects.....	42
NIRC suspended	16	Economy & finance.....	44
Public Inquiry 2021	16	Tourism	48
NIRC dismissed	16	Governance.....	50
Interim administration.....	16	Food security	52
Paving the way for the future	18	COVID-19 response.....	54
Transition to Sustainability.....	19	Cyclone Gabrielle.....	54
Turning NIRC's fortunes around.....	20	Emergency management.....	54
Waste management.....	23	Progress of external audit findings implementation ..	55
Wastewater	24	CONCLUSION	56
Water.....	25		
Renewable energy	26		



INTRODUCTION



This is my final report for the end of a period of Administration that commenced in February 2021.

Mike Colreavy

Bbus; BLegS; MENV & LGLAW; ALGA; FLGPA

Administrator for Norfolk Island Regional Council (NIRC) 2021 to 2024

The period of Administration has delivered significant change to NIRC's operations, particularly the restoration of financial sustainability to the organisation. When Administration commenced, NIRC was in a parlous financial state which required a \$3M bailout from the Commonwealth Government just to meet local wages.

Over this period, I have worked very closely with the General Manager to turn the organisation around to being one that is no longer reliant on more "bailouts". We have exceeded the target of \$8M in Unrestricted Cash funds, as well as repaired significant assets and systems expected from a local government authority. Some improvements now place NIRC at the leading edge of industry practice.

The period of Administration coincided with a change in the Commonwealth Government's approach to Norfolk Island's governance after the 2022 federal election. Leading up to the election, the Government's priority had been for the period of Administration to deliver essential reforms to flawed governance, financial, and asset management arrangements that were identified in external audit findings and the public inquiry report that led to the dismissal of NIRC's governing body in 2021. It was originally intended that NIRC would revert back to having a democratically elected governing body by December 2024.

With a relatively short period of time to implement multiple complex reforms, a rigorous approach to achieving them was needed. The change in Government in 2022 heralded a change in priorities for Norfolk Island's future governance. Some of the objectives for the period of Administration were adjusted, particularly around the divestment of assets.

After a Parliamentary Joint Standing Committee Inquiry, responsibility for the design of future governance arrangements for Norfolk Island passed to the Norfolk Island Governance Committee (NIGC), formed in late 2023. Although there are Commonwealth and Queensland Government representatives on the NIGC, half of its members are community elected representatives. This is problematic when notions of democracy on Norfolk Island are 'qualified' by support for dominance of the representative governance framework based on familial heredity, as opposed to equality among all Island residents.

The new governance framework needs to provide for strong and effective representation, capable leadership, and informed planning and decision-making. It should lead to the best possible outcomes and value for all Island residents. It should require strategic planning and reporting. It should deliver effective and efficient services and regulation to meet the diverse needs of the local community. It should also incorporate principles of sound financial management.

Regrettably, the framework that is emerging is shaping up to be regressive, run counter to that of a fair, efficient system of democratic local government, and in my opinion it is eventually likely to fail.

Unlike so many local communities I have worked in over four decades in Local Government, the best interests of Norfolk Island's community are hindered by a vocal minority that want to dominate the Island's political system, with decision-making that benefits individual interests above those of the broader community, the majority of whose fear of reprisal prevents them from speaking up. As a result, the excessive sense of entitlement to Commonwealth subsidisation that has existed up to now can be expected to continue.

Local interpretation of the Government's actions in the past year has led to an alarming proportion of the landholders (more than 33%) ceasing to pay their rates and charges. Resulting from the JSC outcomes, Government has signalled to the community that the NIRC model has not worked and will be replaced by a bespoke piece of legislation by December 2024. Many land-owners have interpreted that as an indication that the current rates and charges legislation is about to be abolished and there is no longer a need to pay their rates and waste charges. If this continues, it will undermine the long-term viability of the NIRC, or its successor organisation.

The key purpose of Administration was to prepare the NIRC organisation for the return of an elected governing body. This has almost been achieved with NIRC almost ready for that.

We have a new asset management system that shows the long-term requirements of the community. We have long-term financial plans. We have governance reporting frameworks that are now industry leading, transparent systems, and there is cash in the bank. NIRC's improved circumstances should be well received and supported by Government.

There are several initiatives that have not been able to be finalised due to a change in the Government's approach. Decisions have been made to hold over important initiatives such as a wastewater solution, airport management, and a funding strategy for the road network on the island until a new governance model has been chosen and developed. An advantage of Administration is shaping a lean organisation to make the tough decisions elected governing bodies have previously struggled to address. The changed approach counteracted the purpose of Administration, and as such, these initiatives are likely to remain outstanding for many years to come.

Administration has proven that the local government legislation works for Norfolk Island. It enabled the Government to remove a dysfunctional governing body, repair the system, and ready the organisation for a freshly elected body. This process has worked similarly for other dysfunctional councils across Australia for over a century.

NIRC's recent success has been underpinned by enormous financial support from the Commonwealth Government. The need for this support will grow under the framework proposed by the NIGC. The JSC's conclusion that Norfolk Island requires a different standard of governance to the rest of Australia is misguided.

The Minister is encouraged to consider the improvements that have been made to NIRC during Administration. Much of this work may be wasted if the local government model is ultimately abandoned.

I have enjoyed my time as Administrator. Working with the General Manager and his team in the face of strong opposition, we have restored NIRC's trajectory towards sustainability. I wish to thank you Minister McBain for your ongoing support and encouragement throughout this engagement.

In July 2024, NSW Minister for Local Government, Ron Hoenig, announced a new governance model for Central Darling Shire Council (CDSC) in Far Western NSW (2022 Census Population 1725; Indigenous 630 (plus more whose status was not stated in the Census)).

CDSC has been in administration since 2013 due to financial pressures and covers an area of 53,500 Km². It includes Wilcannia, White Cliffs, Menindee, Tilpa, & Ivanhoe.

Similar to current arrangements for Lord Howe Island, CDSC will have a skillset based, 'Board style' council model comprising 3 appointed members and 3 elected. The Chair will be appointed and will have a casting vote. The new entity will look and feel like a council with all the existing powers of a council - including the retention of land rates.

Almost \$500K will be granted to the Council to set up the new arrangements together with ongoing financial support.

The legislation is expected later this year (2024).

This provides an example for the Commonwealth Government to follow by revisiting the 'board' model that NIRC proposed to the JSC.

Recommendations

I stand by NIRC's recommendations to the Joint Standing Committee which provide a platform for good governance for Norfolk Island into the future as follows:

1. That, at the end of the current period of Administration:

a) a new 'board' structure be established, replacing NIRC's councillor framework, as detailed in NIRC's submission to the Joint Standing Committee; or

b) If a Board Structure is not supported:

i. NIRC continue to operate as a local government authority under applied 'State' legislation with provision for a governing body of 'councillors'; and

ii. The applied local government legislation for Norfolk Island be amended to align with the Local Government Act 2009 (QLD), to allow for a transition to regulation by the Queensland State Government.

2. That to continue raising equitable contributions to local services from residents, NIRC's present revenue framework including property-based rates and charges, and other fees for service, be retained in line with remote councils across Australia.





A BRIEF HISTORY

1979 TO 2019

Norfolk Island Act 1979

The *Norfolk Island Act 1979* was a significant moment in the history of the island, as it granted limited self-government under the elected Norfolk Island Legislative Assembly.

A nine-member Parliament was established, and Norfolk Island remained relatively autonomous for over 30 years, attracting funds through its status as a tax haven and a thriving tourism industry.

By 2015 however, a drop in tourism income and a lack of any other dependable, consistent source of revenue meant the island's finances and essential services were unsustainable.

This was despite the Australian Government's funding and financial assistance of over \$187 million to the island's local government between 2011–2016.

Abolition of Legislative Assembly 2015

In 2015, the Australian Government abolished the Norfolk Island Legislative Assembly, ending the island's self-governance, in an effort to address the financial and operational sustainability of the island.

The Norfolk Island Legislative Assembly was replaced with an Interim Advisory Council made up of five members (including a mayor) in July 2015.

The role of the Interim Advisory Council was to advise on the legal framework and functions for a future NIRC, help the community understand the new arrangements and support the administration in providing services to the island's residents.

During this time, Norfolk Island was integrated into the Australian tax and social security systems and the responsibility for the island was transferred to the Australian Government.

Following the abolition of the Norfolk Island Legislative Assembly, a number of its previous members formed a protest group called Norfolk Island People for Democracy, which presented two petitions to the United Nations seeking recognition of Norfolk Island residents' right to self-determination.



New NIRC 2016

The Norfolk Island Legislative Assembly officially ceased to exist on 1 July 2016 when the first NIRC was established, and five councillors were elected for a four-year term.

The transition from a legislative assembly to NIRC did not see the necessary improvements. However, with NIRC's financial position steadily deteriorating over the course of its four-year term.

By the end of its first term in 2020, NIRC was on the brink of insolvency.

2016-17

- The new NIRC Audit Committee, forecast a budget deficit of \$5.346 million for the year ending 30 June 2017.
- The Audit Committee recommended NIRC address the deficit. NIRC noted this recommendation at the following Ordinary Council Meeting, but no actions were taken.
- NIRC endorsed its first long-term Financial Plan (2017–26), focussing on extensive asset renewal. The fully costed plan revealed the unsustainable financial position of NIRC.
- NIRC's Audit Committee, with support from NIRC staff, made recommendations to introduce cost recovery measures, including a recommendation to source at least 10% of its total revenue from ordinary rate revenue for an additional \$1.3 million a year.
- The recommendations were noted by NIRC but not adopted.

2017-18

- NIRC's Annual Operational Plan and Long-Term Financial Plan (2018–27) was endorsed in June 2017 following public exhibition.
- *The plan proposed raising the island's contribution toward electricity generation from 62 cents per kilowatt hour (c/kWh) to 68c/kWh contributing \$400,000 to NIRC's \$533,000 deficit. Despite Audit Committee concerns, NIRC repealed this decision, and took no action to address the deficit.*
- Despite further Audit Committee recommendations, no remedial action was taken at the April Ordinary Council Meeting.

2018-19

- Although NIRC business enterprises recorded an \$807,000 deficit during this period, the July to September 2018 Quarterly Budget Review Statement saw a surplus of \$652,753, growing to more than \$1 million in the following quarter following the appointment of a new chief financial officer.
- With the Audit Committee recommending action to bring the business units into a break-even position, NIRC resolved to increase the waste levy for imported motor vehicles from \$100 to \$150 a cubic metre, despite not having the legislative authority to endorse this change.
- Despite acting, Councillors at the same time removed the proposed green waste disposal charges, the proposed disposal of vehicles fee and reduced proposed charges for rights of pasturage for cattle who roam the island.
- During the August 2019 Audit Committee meeting, NIRC's Chief Financial Officer reported a preliminary \$59,856 surplus for the 2018–19 financial year, a figure which was refuted during the 2021 public inquiry* into NIRC.

*See Public Inquiry Report 2021

Norfolk Island Inquiry 2019

In 2019, NIRC called on the Australian Government to establish an independent inquiry into the changes made to the island's operations, governance and finances following the abolition of the legislative assembly. Additionally, it called for a review into the Australian Government's reforms to on-island services.

The Australian Government engaged the Commonwealth Grants Commission to undertake the inquiry.

The 2019 Norfolk Island Inquiry report made several findings, including that:

- the governance and administration arrangements for reforms on Norfolk Island were largely appropriate, but their implementation was only partly effective, noting that analysis into some elements of the reforms to state and local government services could have been more detailed
- the governance framework and arrangements for the transition from a legislative assembly to local government were only partly effective, with prioritisation plans lacking detail
- oversight arrangements of the Norfolk Island Health Residential Aged Care Service were not appropriate
- while the delivery of local government services was found to be largely effective, risk management plans around the reforms were not fully articulated or reviewed
- while the Australian Government monitored the implementation of government services, there were weaknesses in monitoring the performance of "state" services and no evaluation of the impact of reforms.



The 2019 Norfolk Island Inquiry report recommended the Australian Government:

1. establish arrangements for ongoing review of and update of business plans and priorities, and establish milestones and timelines for future reforms on Norfolk Island, including securing a state-type services provider
2. apply the *Public Governance, Performance and Accountability Act 2013* to the Norfolk Island Health and Residential Aged Care Service
3. establish a process to manage risks and integrate risk management into ongoing reform activities
4. develop and implement robust performance measurement, monitoring and evaluation strategies to assess the progress and impact of the Norfolk Island reforms to services.

The Australian Government agreed to implement recommendations 1, 3 and 4, and noted recommendation 2, stating the Norfolk Island Health and Residential Aged Care Service was established outside Commonwealth legislation and was not subject to the governance, reporting and accountability requirements set out in the *Public Governance, Performance and Accountability Act*. This response was published in the Australia National Audit Office Auditor-General Report No.43 Of 2018–19.

2020 TO 2024

Appointment of General Manager

In January 2020, Andrew Roach was appointed as the NIRC General Manager and was tasked with improving NIRC's financial position.

Upon his appointment, the General Manager discovered a funding shortfall of \$10 million, due in part to commitments made in NIRC's Long Term Financial Plan (2017–26) without consideration to cost recovery. This shortfall required immediate action.

Nine-Point Action Plan

In February 2020, the General Manager launched a Nine-Point Action Plan to secure the long-term financial sustainability of NIRC that focussed on:

1. water security
2. renewable power
3. population strategy
4. tourism regeneration
5. defence capability
6. connectivity
7. environmental enhancements
8. asset management, and
9. finance and governance.

Improving efficiencies

At the June 2020 Ordinary Council Meeting, NIRC adopted the General Manager's 'reduced business as usual' plan and supported his proposal for an independent governance and financial audit.

The elected NIRC agreed to 25 redundancies and temporarily suspending the bulk of NIRC's casual workforce. Ultimately, 20 redundancies were made, saving \$2.2 million. It was at this time the General Manager also proposed a new organisational structure to streamline NIRC operations and remove team silos.

External audits

In response to NIRC's request for an independent audit, the Australian Government appointed Nexia Australia and Grassroots Connections Australia to audit the governance, operations, financial performance and financial sustainability of NIRC under the *Local Government Act 1993* (NSW) (NI).

Audit findings were shared with NIRC in October 2020.

There were 113 findings in total with recommendations for significant improvements to:

- service delivery and commercial operations
- legislative, regulatory and policy frameworks, and
- the short, medium and long term financial and environmental sustainability of NIRC and the island.

Nexia Australia audit

Nexia Australia's *Norfolk Island Regional Council Independent Audit of Financial Performance* found that while the COVID-19 pandemic contributed greatly to NIRC's declining financial performance, its diminished cash and working capital position was largely due to the funds spent on or committed to major projects, particularly the airport pavement project (*see Infrastructure and Asset Management; Infrastructure Upgrades; Airport*).

The audit found that:

- NIRC had used most of its cash reserves
- asset management plans did not comply with accepted minimum requirements
- there was insufficient information to guide long term planning for asset rehabilitation, renewal and maintenance.

The audit recommended NIRC develop strategies and plans to address its deteriorating financial position. It also recommended staff training for financial and asset management, budgeting and use of the Civica Local Government System and related processes.

Grassroots Connections Australia audit

The *Norfolk Island Regional Council Independent Governance and Financial Audit* by Grassroots Connections Australia similarly noted the impact of COVID-19 on tourism to the island and the flow-on effect of diminishing revenue on the NIRC.

It found that Norfolk Island faced significant challenges after transitioning to local government in 2016, with significant legacy issues inherited from the former legislative assembly, including business planning and legislative non-compliance. It recommended that non-compliance be urgently addressed.

The audit noted that while the Australian Government expected NIRC to take responsibility for these issues, NIRC did not have sufficient funding to address them in a timely way.

A BRIEF HISTORY

In addition, the audit found that:

- greater collaboration between NIRC and the Australian Government would improve the Relationship Framework
- improved implementation was required for the Governance Framework
- risk management across all functions required major improvement
- strategic planning required improved focus and integration
- improved integration between strategy and operational delivery was required
- short-term financial performance and long-term financial sustainability were critical risks
- the Norfolk Island Land Use Plan required major review
- water security, wastewater management and solid waste management were critical issues
- improvements could be made to the implementation of information systems
- improved coordination and funding were required for workforce planning and organisational development.

The audit report also included an extensive analysis of factors impeding on NIRC's operations.

EXTERNAL ENVIRONMENT

Along with COVID-19 and the tourism downturn, other key factors affecting NIRC noted in the audit report included:

- a small, declining and aged population that is isolated from Australia with relatively low household incomes
- a divided community lacking trust and confidence in government institutions
- frequent changes of Australian Government ministers and Departmental staff
- lack of an appropriate all-weather port limiting the delivery of essential goods and resulting in very high freight costs
- limited access to tourist markets due to limited air services
- lack of access to a reliable telecommunications network
- a complex, dated and frequently modified legislative and regulatory framework including a mix of legacy Norfolk Island continuing legislation and NSW local legislation
- the high cost of biosecurity and first point of entry obligations
- uncertain water security given reduced rainfall and depleted groundwater
- impact of pests on local flora and fauna.

INTERNAL ENVIRONMENT

The audit found that the most important internal factor impacting NIRC was the 'elected leadership', which, despite best attempts to progress on a basis of 'collaboration, co-operation and partnership' often failed to provide a united and credible voice.

In addition to challenges of coordinating and controlling internal staff, other significant internal issues noted included:

- inability to carry out traditional and non-traditional local government functions
- under-resourcing of key functions (e.g. engineering, planning, environment, accounting)
- difficulty attracting and retaining staff which created a lack of corporate and system knowledge
- poor financial management due to often unreliable and inaccurate data
- a need for reporting transparency and adoption of business systems training and professional development for staff
- unreliable digital connectivity
- lack of economies of scale and limited ability to raise revenue
- reliance on tourism for revenue, with costs being largely fixed and incurred irrespective of the level of visitation
- the poor condition of essential infrastructure without appropriate asset management plans
- inability to access government grants and use of state governance and guiding frameworks
- high cost of biosecurity and first point of entry obligations
- historic arrangements on land used for public purposes (e.g. easements for utilities) without formal agreements in place, and
- ongoing major environmental issues placing water security, public health, the island's reputation and tourism at risk.

NIRC suspended

The independent audits made clear NIRC could not sustainably continue without significant and immediate change.

NIRC's 2019–20 General Purpose Financial Reports and Annual Report for 2019–20 were not completed by September 2020 as required due to audit concerns.

It was agreed by the General Manager and the Elected Councillors that the local government election in November should be delayed by at least two months to allow the audit process to be finalised.

On 5 February 2021, the then Assistant Minister for Regional Development and Territories, the Hon Nola Marino MP, suspended NIRC.

Mike Colreavy was appointed as Interim Administrator for three months pending a public inquiry into the NIRC's financial operations. During the period of his appointment, the Interim Administrator assumed all the functions of NIRC, including all the functions of a Councillor and the Mayor under the *Local Government Act 1993* (NSW) (NI).

**See Interim Administration*

Public Inquiry 2021

Following the suspension of NIRC in February 2021, the Australian Government commissioned a public inquiry to examine whether, from its election in 2016, NIRC had:

- managed NIRC's finances as required by the *Local Government Act 1993* (NSW) (NI)
- complied with its obligations around effective financial, asset, governance and risk management
- acted honestly, efficiently and appropriately.

Carolyn McNally was appointed as Commissioner of the Public Inquiry On 9 February 2021.

The final Public Inquiry Report was handed down to the then Assistant Minister in November of that year.

The inquiry's key criticisms centred on NIRC's inefficient delivery of services, which "did not serve the local community well" and an unwillingness to address revenue shortfalls by raising the funds needed through user-pays cost recovery to provide community services.

The report made 138 conclusions on financial and performance management, risk management, revenue raising, cost recovery, asset management and other areas of governance and compliance. It highlighted:

- a lack of action on revenue in response to well-understood challenges
- failure to introduce special rates, levies, charges and efficiency measures to fund deficits in NIRC's business operations
- failure to set a rates target
- a lack of meaningful action to reverse declining revenue from NIRC's own sources
- unrealistic assumptions to support both the Long-Term Financial Plan and asset management plans
- insufficient detail of asset management plans to enable meaningful entry into the Long-Term Financial Plan
- failure to engage with the Audit Committee and apply its risk management policy.

The Commissioner noted that NIRC's challenge following the inquiry's findings was to address the implications and deficiencies identified around revenue streams.

Noting the significant work done by the General Manager Andrew Roach to reduce expenditure and cut services, as evidenced in the 2021-22 budget, the Commissioner said this needed to be an ongoing focus in the 2022–23 budget.

In his response, the General Manager confirmed that NIRC would address all findings from both the inquiry and the external audits.

NIRC dismissed

The findings of the 2021 Public Inquiry into NIRC led to NIRC's dismissal on 6 December 2021.

In announcing the dismissal, the then Assistant Minister said NIRC had not managed its finances in accordance with the principles of effective financial and asset management, and that the decision was made to achieve the best outcome for the Norfolk Island community, through an effective and sustainable local government.

It was at this time the Interim NIRC Administrator's appointment was extended for a period of three years until December 2024.

Interim administration

Upon being appointed in February 2021, the Interim NIRC Administrator began work to improve NIRC's position.

Although NIRC's financial position was a key focus, its systems, processes, infrastructure, assets and human resources all needed to be addressed.

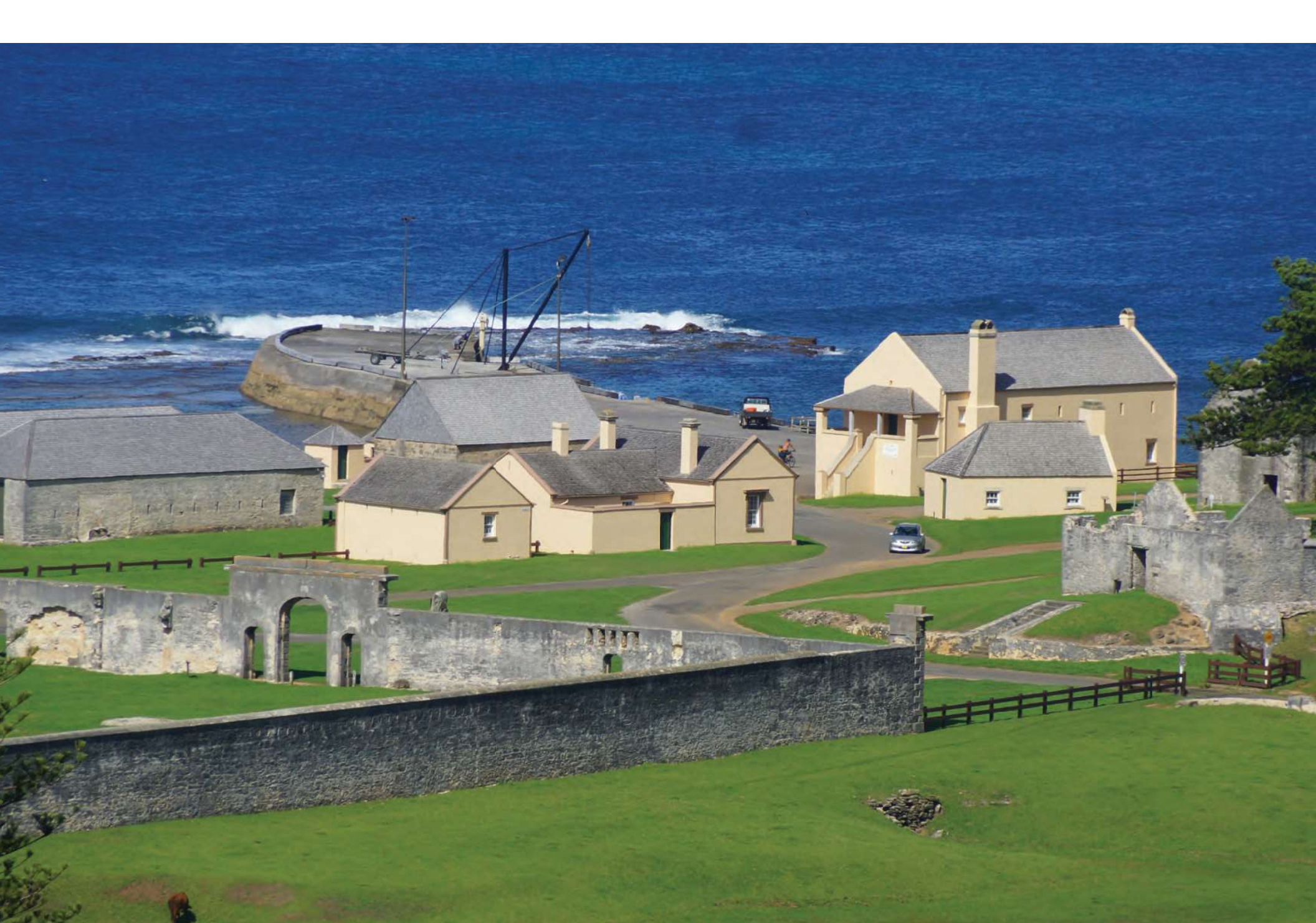
In his first report to the then Assistant Minister for the period February to May 2021, the Interim Administrator recommended that NIRC remain suspended with administration extended to allow time to:

- re-establish financial solvency and viability
- develop sound financial governance and asset management frameworks
- establish suitable advisory committees.

A two-to-three-year administration period was recommended to implement and entrench a reform program, and to prevent suspended Councillors from reversing the progress that has been made.

Following the dismissal of NIRC and the extension of the Interim Council Administrator's appointment work began to:

- restore proper and effective functioning to NIRC
- continue its Transition to Sustainability Strategy
- ensure the good governance of NIRC so it could deliver essential services to the community.





PAVING THE WAY FOR THE FUTURE

TRANSITION TO SUSTAINABILITY (TtoS)

Immediately after his appointment in 2021, the Interim Council Administrator set about implementing sweeping changes to improve the financial, environmental, governance and social sustainability of Norfolk Island.

In August 2021, NIRC adopted a Transition to Sustainability Strategy to protect the interests of Norfolk Island and its community.

Residents were empowered through feedback, group processes, partnerships and alliances to help turn their visions into reality. Initiatives focused on:

- moving to renewable energy
- improving NIRC's ICT platform
- improving waste management and wastewater outcomes
- better cost management.

Running for three years between 2021–24, the program required significant resources from within NIRC, as well as external sources. Its success is demonstrated in the turnaround of NIRC's financial position, and the large number of practical, positive initiatives rolled out in this time.

In addition to new plans and programs arising from the external audits of 2020, NIRC also had to address the requirements of a new Service Delivery Agreement with the Australian Government and the findings of the 2021 Public Inquiry into NIRC.

Following the inquiry, the Interim Council Administrator recognised the need to focus on creating sound governance, strong financial sustainability and better management of assets while NIRC was under Administration.

The inquiry's final report highlighted clear instances where the former NIRC had not managed its finances and assets effectively.

This came on top of the independent audit reports of 2020 which recommended wide-ranging changes and improvements to:

- governance
- financial performance and sustainability
- operations
- systems
- processes.

With a view to rebuilding NIRC finances, the 2021–22 Operational Plan included a 5% efficiency target and 5% in service improvements based on key performance indicators.

The aim was to find around \$3.5 million in savings and efficiencies by 31 December 2021.

TURNING NIRC'S FORTUNES AROUND

Report cards

In the first months of his appointment, the Interim Council Administrator endorsed all 113 external audit findings.

An initial 75 external audit findings were planned for the short and medium terms (between one month and two years) which were tracked through a report card developed by the General Manager, with updates presented quarterly to NIRC.

By 30 June 2021, 20% of the first 75 external audit findings were complete with an additional 57% underway.

NIRC incorporated the additional inquiry findings following the November 2021 report, for a combined 120 external audit findings.

By 30 June 2022, over 25% of the total external audit findings were completed, with 60% underway, and in June 2023, over 70% were completed and 30% either in planning stage or underway.

NIRC successfully implemented all 120 external audit findings possible within the term of the Administration by March 2024, with handover of the remaining items to be made to the island's future governing body.

Advisory committees

Although NIRC's operational committees remained in effect following the suspension of NIRC, all five advisory committees to NIRC were stood down.

After meeting with local groups and organisations over five-months, the Administration reviewed and adjusted the advisory committee structure and membership.

By July 2021, four new advisory committees made up of community members were established to provide information to the NIRC on new initiatives, operational changes and challenges facing the community. The new advisory committees were:

- Business, Innovation and Tourism Advisory Committee
- Reserves and Conservation Advisory Committee
- Sustainability Advisory Committee, and
- Youth Advisory Committee.

Expressions of interest were sought from July to August 2021 for community participation.

By March 2022, training and inductions were completed for committee members (except the Youth Advisory Committee) and they began meeting, with advice starting to flow through to NIRC's strategic decision-making.

The Youth Advisory Committee was formed by March 2022 through direct engagement with the Norfolk Island Central School, with two Year 10 students, two Year 11 students and two Year 12 students appointed.

All four advisory committees were appointed until March 2024.

At the end of the appointment term, NIRC wound down the Sustainability and Youth advisory committees for the remainder of the period of Administration. The Reserves and Conservation Advisory Committee and Business and Innovation Advisory Committee remained in place from late May 2024 to advise on ongoing initiatives.



ENVIRONMENTAL ADVANCEMENTS

*Open burning and uncontrolled dumping
were common practice on the island*



Waste management

Challenges

For decades, waste management has been a significant issue on Norfolk Island.

The island's remote location meant restricted access to waste disposal and recycling facilities, and the island's critical groundwater meant landfill was not feasible. This meant the cost of managing waste was significant compared to costs on mainland Australia.

Open burning and uncontrolled dumping were common practice on the island, which struggled to find financially viable solutions for the ongoing waste problem.

Despite plans for improved waste management practices, NIRC's official policy, until 2019, was to incinerate the island's mixed waste and dump the ash into the waters at Headstone Point.

This included general household waste, such as plastics and animal carcasses through to electronic waste and car parts.

Concerns by government authorities and locals alike were growing, with no clear strategy in place for financially, logistically or environmentally sustainable waste management.

Upon its appointment in 2020, the Administration acknowledged the urgent need to review Norfolk Island's waste management practices.

This coincided with the Australian Government setting a deadline for the disposal of waste into the ocean to cease on or before 31 January 2023.

The Administration began taking active steps to reduce costs, stop pushing waste into the ocean and to recycle and reuse as much material as possible.

In 2021, NIRC developed a new Waste Management Strategy to fundamentally change the way waste was managed on the island.

Solutions

NIRC's five-year waste management plan was endorsed by NIRC in June 2022 with key actions including:

- implementing the adopted waste management approach from the 2021–22 Norfolk Island Waste Management Strategy
- commencing domestic and commercial waste management contracts
- procuring bulky waste equipment and updating fees and charges to a more appropriate structure
- providing community waste management education, including a phase out of single-use plastics
- conducting community waste education in collaboration with the waste management contractor
- exploring waste management power generation to assist waste reduction and supplement the generation network of renewables.

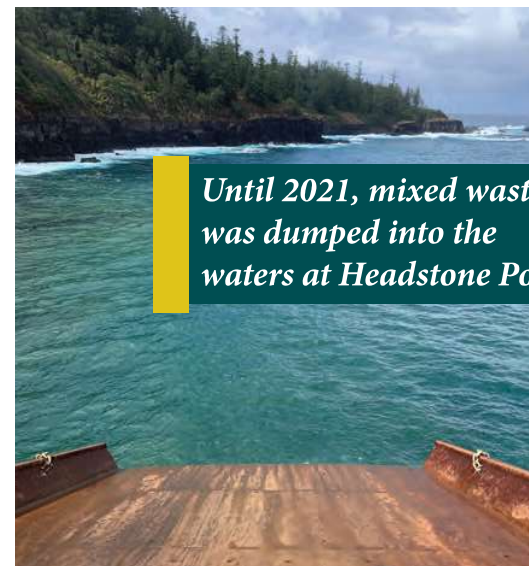
The 2021–22 Operational Plan committed \$3.2 million towards new waste management centre infrastructure including a glass crusher, plastic management and cardboard management.

Headstone Point was closed to waste in November 2021, with NIRC stopping the tipping of waste into the ocean in January 2022, a full year ahead of the Australian Government's final deadline of 31 January 2023.

All waste types had to be delivered to the waste management centre instead, which went through operational changes, allowing better segregation of waste and greater opportunities for the community to recycle and reuse materials.

Waste that could not be recycled or reused was baled and stockpiled into shipping containers to be exported to the mainland by ship.

In early December 2022, the first containers of e-waste, aluminium, steel and non-biodegradable waste were transferred off Norfolk Island by ship for the first time, to be properly recycled and processed in Brisbane.



Until 2021, mixed waste was dumped into the waters at Headstone Point.

Success

In the past, the cost of providing waste services on Norfolk Island was not recovered, and this business unit of NIRC avoided costs through inappropriate and environmentally damaging waste disposal practices now prohibited by the Australian Government. This meant the costs of providing waste services had to be subsidised from other revenue streams.

These practices were stopped under Administration.

Better management of waste has led to safer and more responsible recycling and disposal, with less material going into the general waste stream, which in turn delivers better environmental protection by keeping the ocean clean and avoiding air pollution.

Through its strategic planning, NIRC was able to meet its objective of an environmentally sustainable community and has provided a best-practice waste management model for other remote communities.

Wastewater

Challenges

Historic and ongoing wastewater management issues have had significant impacts on the health, safety and security of water on Norfolk Island.

Investigations in the 1980s revealed Norfolk Island's groundwater supply was heavily contaminated with human waste from poorly maintained onsite systems (largely septic tanks).

A centralised sewerage system, known as the Water Assurance Scheme, was constructed as a result which serviced 50% of the population in the built-up areas of Burnt Pine, Middlegate and Kingston.

The system, which is still in use today, transports effluent to a treatment facility near the airport, releasing the treated wastewater (both solid and liquid) into the ocean at Headstone point.

Numerous environmental assessments conducted over the decades have shown continued contamination of ground and surface water on Norfolk Island, particularly at Emily Bay and the neighbouring Slaughter Bay, where effluent is released, and in the unserviced areas where septic tanks are predominantly used.

Despite several commitments by NIRC to solve the growing wastewater problem over the years, little action had been taken prior to the Administration's appointment in 2020.

Solutions

In 2019, the Balmoral Group Australia were commissioned to report on options for the upgrade of the wastewater treatment plant. A subsequent business case was lodged seeking Australian Government funding for an estimated \$19 million. Unfortunately, funding was not provided.

By 2020, several projects were underway to investigate water management including:

- an investigation report by Bligh Tanner for protecting Emily Bay and Slaughter Bay from further wastewater contamination
- CSIRO Norfolk Island Water Resources Assessment
- expansion of CSIRO Norfolk Island Water Resources Assessment project to include water quality investigations at Emily Bay, Slaughter Bay and Cemetery Bay.

In 2021, the Water Quality Working Group was formed between NIRC, Parks Australia, the Australian Government and the Office of the Interim Council Administrator to coordinate actions for water quality improvement. Several initial action items were fast tracked to help improve waterway health, including:

- installing 'leaky weirs' - natural weirs made from rocks, earth and vegetation designed to raise the water level of waterways, rehydrate floodplains and rebuild aquatic and riparian habitats
- installing cattle fencing along Watermill Creek to prevent erosion and minimise sediment and nutrient impacts.

During this time, the Administration lodged a second business case with the Australian Government for \$12.3 million to upgrade the sewage treatment plant.

In March 2022, the Australian Government announced funding of \$1.8 million for detailed design, costing, procurement and tendering for the construction of the plant. By September of that year, the Development Application and Environmental Impact Statement went out for public consultation.

Also in 2022, NIRC announced revisions to its Water Resources Development Control Plan to improve groundwater quality, with changes made to on-site wastewater management system standards.

Success

In 2023, NIRC worked with Premise Consulting and Ranbury Management Group to progress the design and surveying work for the upgraded sewerage treatment plant.

This work continued into the fourth quarter of the 2023–24 financial year, with a detailed design expected by mid-2024.

Unfortunately work on the project stalled in 2023–24, when no Australian Government funding was allocated for it. NIRC continued working with the Australian Government to secure funding for the project.

In the meantime, the Water Assurance Scheme team continued to carry out condition assessments and lifecycle management planning for all wastewater infrastructure on Norfolk Island.

Regular maintenance checks and preventative maintenance of the wastewater treatment plant and pump stations continued to minimise the risk of failure.

Water

Challenges

Water security is a key issue on Norfolk Island.

In recent years, changing rainfall patterns, along with inadequate infrastructure, have led to significant concerns around the availability of safe drinking water for Norfolk Islanders.

By late 2019, Norfolk Island because of record dry weather was experiencing water stress with many homes and businesses having low, and in some cases no, fresh water supply.

In response, the Australian Government worked with the Australian Defence Force to provide a desalination and water purification system as a short-term alternative water source. The system, which was installed in February 2020, was able to produce 100,000L of drinking water a day.

The CSIRO Norfolk Island Water Resources Assessment found a notable reduction in rainfall on the Island since the 1970s. Climate models found strong evidence that the frequency and severity of dry periods had increased and would continue to increase, along with higher temperatures in the future.

The resulting report, which included a series of recommendations to improve water security, made it clear that a strategy was needed to prevent, prepare for, respond to and recover from potential water emergencies.

Solutions

The Norfolk Island Water Resources Assessment report provided several recommendations to mitigate water security risks on the Island. However, it was noted that no one possible solution would be sufficient to prevent a water emergency alone.

Ultimately the report found that a robust emergency water supply strategy would have to include multiple options implemented across a variety of timeframes, providing redundancy (excess water) and cost-effectiveness.

All options depended on appropriate NIRC and Australian Government funding arrangements, infrastructure maintenance and commitments being incorporated into the Operational Plan.

A major limitation to the Norfolk Island Water Resources Assessment was the lack of long-term monitoring data, with the researchers stating that ongoing monitoring of Norfolk Island's resources would enable better management in the future. The CSIRO was subsequently retained to continue monitoring surface and groundwater and build a better understanding of water availability on Norfolk Island over time.

During this time, the CSIRO developed a rainwater monitoring smartphone app for residents and businesses on Norfolk Island to evaluate the reliability of existing and proposed roof-harvested rainwater systems (catchment and storage).

The Monash University and University of Newcastle Environmental Assessment Report, released in August 2021 made further recommendations for improving water security on the island.

In 2020–21, following amendments to the *Planning Act 2002*, \$200,000 was budgeted for new onsite storage tanks on NIRC properties, with the aim of reducing NIRC's reliance on groundwater and improving water security. Tanks of various capacities were installed by December 2021 at NIRC-owned and managed locations including:

- Norfolk Island Airport (300,000L)
- Norfolk Island Works Depot (250,000L)
- Norfolk Island Electricity Plant (150,000L)
- Norfolk Island Fire Station (135,000L)
- Norfolk Island Waste Management Centre (90,000L)
- other NIRC buildings (4 x 40,000L tanks).

In 2022, NIRC released an updated Development Control Plan which included changes to minimum requirements for roof catchment and water storage on future developments, with the aim of reducing groundwater dependence and improving sustainable water practices.

Success

Norfolk Island's new water storage tanks increased NIRC's water storage capacity by over 1 million litres and provided valuable storage for excess desalinated water that could be made available to the community if there were water shortages.

NIRC continued to increase its water storage capacity in 2024, with the roofs of the Bicentennial Building, Liquor Bond, Rawson Hall and the roof at the entrance of the Waste Management Centre being connected to new tanks for optimal water catchment.

In addition, three new water tanks were installed at Cascade to capture fresh water from the desalination plant until a large holding tank, funded by the Australian Government, is installed.



Renewable energy

Challenges

Norfolk Island has primarily relied on diesel fuel generation for its energy supply, with six 1.0MW generators and an onsite fuel supply of approximately 90,000L. Fluctuating fuel prices along with transport and storage costs meant that electricity on the island was typically more expensive than on mainland Australia.

As home solar systems became more popular in the early 2000s, Norfolk Island residents were quick to adopt the technology.

However, with many households producing more energy than they consumed, the significant levels of excess power caused localised voltage issues, outages and tripping of rooftop solar photovoltaic inverters. Additionally, with no way to store the excess power fed back to the grid during the day, a load bank was used to burn it off. This resulted in reliance on diesel fuel at night.

The high feed-in tariff paid for rooftop solar meant households with solar panels were being supplied with nighttime diesel generated energy at low or no cost, resulting in further cost inefficiencies for NIRC at the time.

In 2013, the Norfolk Island Legislative Assembly placed a moratorium on the installation of solar photovoltaic modules in an effort to curb the excess energy issues and improve cost efficiencies.

Despite these efforts however, by 2015 the cost of electricity to businesses and households on Norfolk Island was approximately 70c/kWh, nearly four times more than on the Australian mainland.

Solutions

In 2017, NIRC had engaged Hydro Tasmania to develop an energy policy and technical design solutions for power generation on the island. The provider proposed several options including:

1. existing and new solar energy with battery energy storage (\$9.6 million)
2. existing solar with new wind and energy storage (\$13.7 million)
3. new centralised solar farm and energy storage (\$15.6 million).

NIRC's preferred option (1.), despite being the least expensive, meant only 45% of the island's power would be generated from renewable energy. It also required around 30% more ongoing diesel fuel consumption than the other options.

In December 2018, NIRC approved the engagement of a qualified energy economist to assess the financial implications of implementing the Hydro Tasmania Plan. It also went to tender for the provision and installation of a generator and batteries to address the issue of solar oversupply and to reduce diesel use.

Unfortunately, no progress was made until December 2020 when NIRC installed its first 2-MW Tesla battery, supplying four to six hours of energy to the island a day.

Then, in April 2021, NIRC made a commitment to 100% renewable energy by 2024. A roadmap was developed by EPC Technologies to achieve this goal.

By 2022, NIRC sought funding from the Australian Government for additional solar batteries and generation infrastructure to fast-track its green energy target.

In the same year, the solar moratorium was lifted and a new dynamic electricity tariff structure introduced.

During this time, the Australian Government provided over \$5 million to escalate the island's transition away from diesel-fired generation to green energy.

The funding enabled the purchase of commercial-sized solar and battery solutions, subsidised residential solar panels and batteries, and the rollout of smart meters.

Success

By the end of 2023, Norfolk Island was reducing its dependence on diesel-fired generation.

A series of battery energy storage systems were installed on the Bicentennial Building, the Emergency Centre, Rawson Hall and the Liquor Bond, with provision for electric vehicle charging. NIRC moved to electric for much of its fleet including cars, mowers and motorcycles.

85 homes had signed up for the subsidised solar and battery solution, generating 10 KW per house, with 888 solar panels installed on NIRC properties and private homes.

New smart meters allowed residents to monitor their electricity use and costs in real-time, with connection to the network allowing the application of dynamic and differentiated tariffs for improved cost efficiencies.

Power prices on the island dropped considerably, more than halving to 35c/kWh when battery-stored energy was in use. When solar energy was supplying power to the island and the surplus was charging the battery, prices dropped to 5c/kWh.

As of June 2024, NIRC continues to work towards its green energy target.



CONSERVATION & PROTECTION



State of the Environment Report

As part of the Norfolk Island Environment Strategy developed in 2018, a State of the Environment Report was developed for the island from February 2020.

The State of Environment Report was also required under s. 428A of the *Local Government Act 1993* (NSW)(NI) and was developed in line with the Environment Strategy and *Integrated Planning and Reporting Guidelines*.

The State of Environment Report July 2016 to June 2021 considered the following environmental indicators:

- energy, transport, utilities and resources
- waste
- sustainable food supply from the land and sea
- clean water in tanks and marine areas
- population, planning and retaining open space, and
- biodiversity.

Achievements highlighted included:

- installation of the Tesla 1200 kWh megapack battery energy storage system
- purchasing and operation of major waste management equipment, such as the multi-purpose baler, mini sort line and commercial composter
- resealing of several septic tanks in the Kingston and Arthur's Vale Historic Area
- updating 10 public reserve plans of management (as well as many others), and
- issues associated with secure water resources.

Norfolk Island Environmental Assessment

An environmental assessment of Norfolk Island was carried out from May 2019 to April 2021 by a team of scientific researchers from Monash University and the University of Newcastle.

Presented in August 2021, the Norfolk Island Environmental Assessment assessed the island's environmental capacity, land use, hydrology, soils, biodiversity and ecosystems to inform a population strategy and ensure that any increase in population did not exceed Norfolk Island's carrying capacity.

Information from the assessment was intended to support the development of a sustainable population strategy.

The report made many recommendations to improve environmental outcomes on the island with key findings referred to throughout this report.

Public Reserves

From late 2020, NIRC implemented an Environment Program funded by the Australian Government across Norfolk Island's public reserves, with 35 initiatives including:

- woody weed removal
- installing signage
- cattle exclusion fencing along waterways
- repairing ageing infrastructure
- community tree planting days.

The projects were identified as priorities in the public reserve plans of management and were rolled out by local contractors in collaboration with the Department.

Specialist Australian Government staff also upgraded barbeque and toilet facilities at Selwyn Reserve and Anson

Bay Reserve and helped with weed control in Selwyn Reserve and Cascade Reserve.

In 2021–22, NIRC successfully had the Environment Program integrated into the Commonwealth Service Delivery Agreement. This provided over \$700,000 in funding for environmental and biodiversity improvements in the public reserves, making them more attractive for residents and visitors.

The Reserves and Conservation Advisory Committee formed by the NIRC Administrator in late 2021 met three times by June 2022 to discuss issues including:

- the temporary ramp at Ball Bay
- Cascade and Quarantine Reserves Plan of Management
- proposed tree management policies
- weed management, and
- cat management.

NIRC and the advisory committee members also reviewed the guidelines for the Ivens F (Toon) Buffett Environmental Trust so NIRC could recommence the program. The Ivens F (Toon) Buffett Environmental Trust provides funding for projects which improve environmental outcomes.

The Norfolk Island Reserve and Conservation Committee developed a priority weed list for Norfolk Island to help NIRC to prioritise future weed control works in public reserves.

COMMUNITY TREE PLANTING

Community tree planting has been a common activity on Norfolk Island for many years, as a way to regenerate vegetation, increase native plant species and provide improved environmental conditions for local wildlife.

In 2023, NIRC staff organised seven community planting days to revegetate Norfolk Island's reserves.

For the first time, NIRC partnered with the Norfolk Island National Park, using a section of their nursery to propagate their own native plants.

The 'Flora Force' volunteer program established in mid-2023 collected, sowed, pricked out and tended a range of native species each week and aimed to expand the range of plants they grow in the future.

In addition, the final planting for the year at Point Ross Reserve / Crystal Pool used the compost being produced by NIRC's HotRot composter for the first time.

The inclusion of compost helped reduce waste and improve the soil, providing a more sustainable, circular approach to tree planting on the island.

In January 2024, five applications for environmental projects on Norfolk Island made under Round 7 of the Ivens F (Toon) Buffett Environmental Trust were approved. The \$47,812 grant funded a broad range of activities aimed at improving environmental outcomes for waterways, native plants and animals, including:

- works to improve water quality and creek regeneration works
- creation of leaky weirs
- priority weed control
- revegetation and regeneration of existing native vegetation
- excluding cattle from a waterway
- installing off-stream watering
- increasing water retention in waterways
- reducing erosion, and
- improving nesting sites for wedge-tailed shearwaters.



Island cattle roaming free on the roadside.

CATTLE MANAGEMENT

Historically, cattle have been allowed to roam free on Norfolk Island to graze on roadsides and in some reserves.

Although cattle grazing has helped manage grass height in some areas it has also had significant environmental impacts such as weed spreading, the destruction of native vegetation and negative impacts on groundwater for which Norfolk Island is highly dependent.

Environmental assessments done as far back as 2016 showed unrestricted access to the banks and beds of waterways was having a major impact on water quality, the health of waterways and biodiversity.

From 2016, importation of cattle and other ruminants to Norfolk Island was banned under the *Biosecurity (Prohibited and Conditionally Non-prohibited Goods—Norfolk Island) Determination Act 2016* (Cth). Other issues related to cattle included:

- overgrazing which has led to weakened soil structure and contributing to erosion, increasing sediment loads in waterways and reducing the ability of native vegetation to re-establish

- threats to native vegetation, as cattle eat and trample native vegetation and spread weeds, reducing biodiversity and resulting in woody weed regrowth, and
- weed toxicity with some weeds such as Cascade onion (*Homeria flaccida*) are toxic to cattle; it has been included in NIRC weed management programs, even though there is no real ecological reason for its control.

In mid-2022, NIRC secured funding under the Our Marine Parks grants program through Parks Australia for technology to manage cattle on public land. The Reserves and Conservation Advisory Committee was instrumental in supporting the initiative.

The roll-out of 'virtual fencing' used individual cattle collars, GPS and radio communication, along with software to adapt grazing patterns to manage cattle where there were no fences. It was more cost-effective than physical fencing.

The aim was to exclude cattle from sensitive environments such as creeks, wetlands and erosion-prone areas to improve water quality in the catchment and flowing into the marine park, and help protect important habitats, marine wildlife and coral reefs.

Marine Parks

Our Marine Parks campaign

In December 2020, NIRC was granted funding from round two of the Australian Government's Our Marine Parks grant program to develop a multi-media campaign to educate and empower responsible care and use of the Norfolk Marine Park.

Directly accessible from the shoreline, Norfolk Marine Park is home to one of the world's most southern coral reefs, harbouring a diverse, rich and unique marine life.

Two short films were developed, one aimed at inspiring the local community to reduce their waste footprint, including by eliminating single use plastic, and the other for visitors to the island.

Norfolk Marine Park survey

As part of the 2021 pest and disease surveys, Biofouling Solutions, a marine biosecurity service, was commissioned to carry out the Norfolk Marine Park Invasive Marine Species Survey.

Their report found no invasive marine species of concern but made several recommendations to prevent them from being introduced, particularly as port management and infrastructure operations changed. Recommendations included:

- introducing additional ballast water and biofouling management requirements (as needed)
- ongoing surveillance for any newly established invasive marine species in the Norfolk Marine Park
- incorporating innovative designs for any new port infrastructure to prevent invasive marine species from getting established.





Feral animal, pest and vermin control

Norfolk Island boasts unique habitats and native species which are found nowhere else on earth.

Unfortunately, invasive species including Argentine Ants, black rats and feral cats are a threat to Norfolk Island's native species.

The recovery of threatened species on Norfolk Island depends on a coordinated approach to the management of invasive pest species. Work is ongoing to protect biodiversity, prevent new pest incursions and to control existing invasive species.

In early 2020, Parks Australia secured \$150 million of Australian Government funding for rodent and feral cat baiting. The Invasive Species Council of Australia secured further funding from Melbourne's Eldon and Anne Foote Trust of the Lord Mayor's Charitable Foundation for vegetation mapping, rodent (and cat) baiting.

Black rats

Black rats are considered the most invasive predator on Norfolk Island and are a threat to a wide range of species, including the green parrot, golden whistler, scarlet robin, nesting seabirds, endemic reptiles, land snails and other invertebrates.

A NIRC baiting program was carried out in Anson Bay in January and February 2023, following extensive monitoring of the rat population across Norfolk Island. A second round of rat baiting was rolled between 27 April and 29 June 2023.

Monitoring indicated a population density decrease of approximately 77%.

The advantages of reducing the rat population included reductions in crop damage, decreased nuisance in people's homes and increased native birdlife.

Image left: Argentine Ant eradication team members Adam Deszecsar and Sunny, detection dog.

By April 2024, four rounds of baiting had been carried out with the program deemed successful with the rat population density dropping as low as 8% in April 2023.

Feral cats

In 2022–23, the funding from the Lord Mayor's Charitable Foundation enabled work to prevent pet cats from adding to the island's environmental problems.

Through the Invasive Species Council, the island was able to implement a free cat desexing and microchipping program, purchase feral cat traps and employ a contractor to place them in strategic locations on the island. Parks Australia also supported the local veterinarian in offering microchipping and desexing to all residents with domestic cats.

Argentine Ants

Argentine Ants were first discovered on Norfolk Island in 2005 and have had a substantial impact on the environment affecting crops and nesting bird species.

An aggressive breed, these ants disrupt native ant populations which play a critical role in dispersing seeds and pollinating plants.

Despite a treatment program being in place on Norfolk Island up until 2014, the species were difficult to eradicate due to dispersed populations in hard-to-reach terrains.

In May 2020, the Australian Government funded a \$1.3 million eradication program which used advanced hydrogel ant bait and the first known use of a drone to conduct aerial treatments.

The drone was used to drop bait over infested areas of very steep terrain covered in dense bush. Follow-up treatment involved the use of a professionally trained Argentine Ant detector dog.

In March 2022, the Australian Government committed a further \$2.8 million over four years as part of a broader budget commitment for infrastructure and tourism to continue the Argentine Ant eradication program.



Goodnature Rat Trap

By 2022, the majority of the 16 zones on the island were fully or partially treated, with follow-up treatments in areas where small numbers of ants persisted. By 2023, Argentine Ants had been eradicated from:

- 100 Acres Reserve (zone 2)
- Norfolk Island Hospital grounds (zone 6), and
- Ball Bay Reserve (zone 8).

Work continues, but the program has shown that multiple treatment methods can eradicate the ants.

In 2023, a new Argentine Ant detector dog was also welcomed to the island, and in 2024 the CSIRO began investigating alternative bait options.

Other pest management initiatives

Norfolk Island Pest and Disease Survey

In 2021 the Australian Government funded the Norfolk Island Pest and Disease Survey to improve the long-term biosecurity and sustainability of the Island.

Agriculture Victoria Research was contracted to carry out the survey and identify pests and plant diseases.

The surveys were undertaken in March (Summer) and October (Spring) 2022 in more than 40 locations across the island, with over 1,000 samples collected and tested.

No evidence of any new high-priority pests or pathogens were found. However, the presence of tomato potato psyllid, the 28-spotted ladybird beetle, the banana root borer weevil, the Argentine Ant and at least two types of grass armyworms were confirmed.

At least six new insect pests were recorded in low numbers including aphids, psyllids and thrips, as well as the macadamia nut borer moth.

Seven new weeds or invasive plants were found, including the bitou bush and agapanthus. It was recommended that these be eradicated.

Additionally, 16 virus species were discovered, although none were a high priority.

The samples collected were deposited with the Victorian Pest and Pathogen Herbarium, the Victorian Agricultural Insect Collection and the National Herbarium of Victoria to create a database of Norfolk Island pests and pathogens for future reference.

Bee pest and disease survey

Honeybees are an important part of the ecosystem and culture of Norfolk Island. They support food security through pollination and produce honey and hive products.

Access to up-to-date information on bee pests and diseases is critical to maintaining bee biosecurity.

In December 2022 and April 2023, the CSIRO conducted surveys of the honeybee population.

Working with the island's beekeepers, samples were collected of bees, honey and hives from 67 bee colonies to test for pests and diseases.

No new honeybee pests or diseases since the previous 2012–14 survey were found, although all previously reported pests and diseases were detected, including:

- a high prevalence and infection levels of the gut parasite, *Nosema ceranae*
- a high prevalence of Lake Sinai virus, a common bee virus group with no known disease
- low detection of the lesser wax moth, a minor hive pest.

The Norfolk Island Bee Pest Survey 2021–22 made three recommendations:

- only certified irradiated honey should be commercially imported onto the island
- ongoing surveillance should be resourced as part of the National Bee Pest Surveillance Program
- all Norfolk Island beekeepers should be registered and encouraged to perform regular hive inspections in line with Australia's Honey Bee Industry Biosecurity Code of Practice.

INFRASTRUCTURE & ASSET MANAGEMENT



In 2020, NIRC commenced work to improve the Norfolk Island's assets and infrastructure, in line with the Transition to Sustainability Strategy, to make NIRC operations more efficient by reducing costs and freeing up resources.

Asset management improvement program

In 2020, following recommendations from external audits, a new asset management improvement program was put in place.

This included the adoption of a new asset management system to improve efficiencies in asset planning and management.

All asset data was transferred into AssetFinda by April 2021, with efforts made to improve data integrity. This included a detailed audit conducted across the island, during which, 82 new culverts were discovered that were not on old registers. Audits were also carried out on plant, buildings, footpaths and parks.

Using this data, an asset replacement schedule based on predictive modelling by AssetFinda estimated that \$41.5 million would be required to replace existing NIRC assets over the ten years from 30 June 2020.

By mid-2023, NIRC had made great progress in improving asset management planning.

The Roads Asset Management Plan 2020-2029 was reviewed, updated and renamed the Roads and Drainage Asset Management Plan 2020-2029 in recognition of the inclusion of all drainage assets across the island.

The new plan incorporated the road network, the paved runways at the airport, bridges, cattle stops, culverts, footpaths, roundabouts and kerb and channel. It was guided by the Institute of Public Works Engineering Australasia's International Infrastructure Management Manual.

Improved asset management was essential to ensure that NIRC infrastructure lasted well into the future.

Asset upgrades

NIRC made several asset upgrades to increase the sustainability of its operations including:

Fleet

NIRC moved its vehicle fleet, machinery and all other plant to electric-powered options. While up-front costs were higher, cost savings were considerable. By May 2024, NIRC had purchased 15 electric vehicles, 24 electric bikes, four trucks and two electric mowers, and implemented a policy to change all plant which needed replacing to electric-powered options.

PETRO self-bunded emulsion tank

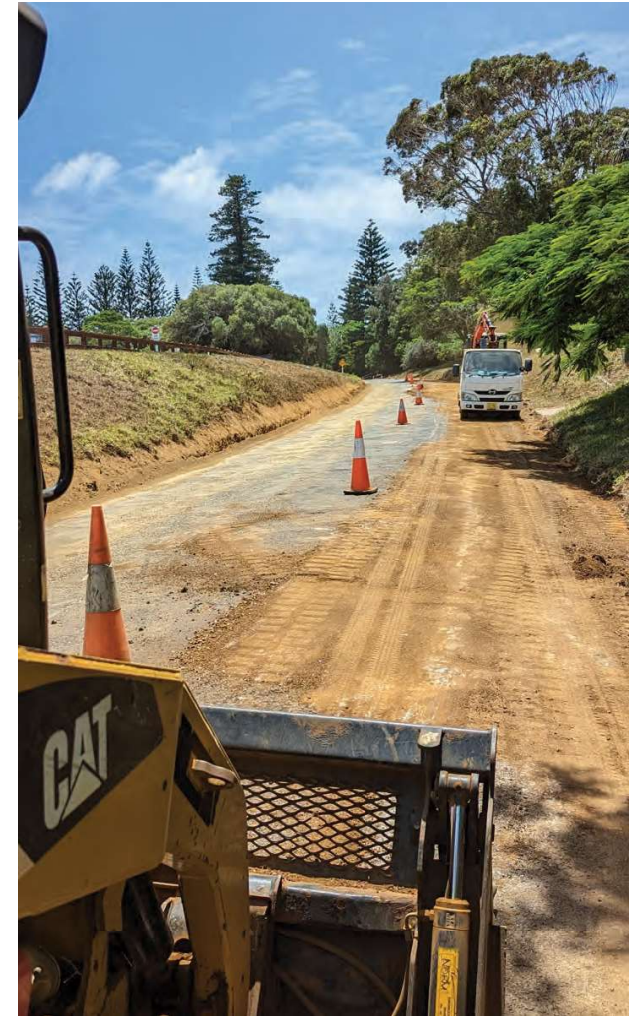
In December 2023, NIRC purchased a 30,000L emulsion storage tank to improve the quality and supply of bitumen on the island. Bitumen for road repairs was previously shipped and stored in 1,000L plastic tubs, reducing its 'shelf life'. The new self-bunded tank quickly extended the life of the material.

Quarry rock drill

Lack of access to rock on Norfolk Island was previously an ongoing issue, with rock having to be shipped from the mainland. In November 2023, NIRC purchased a new drill rig to enable quarrying of rock from Young's Quarry which was tested in March 2024. However, the exercise stalled while NIRC awaited authorisation to import the ammonia nitrate needed for blasting.

Jetmaster truck

Filling potholes on Norfolk Island previously required a crew of five people and various pieces of equipment. A new Jetmaster truck in 2023 enabled potholes to be fixed by a single worker, saving time and money as well as significantly improving efficiency.



Ferny Lane Road upgrade

Infrastructure upgrades

Extensive infrastructure upgrades have been underway on Norfolk Island for some time. As well as taking over several infrastructure upgrade projects following the dismissal of NIRC in 2020, the Administration has also undertaken many new projects.

AIRPORT

Resurfacing and repair

Inspections of Norfolk Island Airport carried out by the Civil Aviation Safety Authority in October 2017 raised several urgent issues including deterioration of the surface of the main runway, faded line markings and the very poor condition of the aircraft movement area pavements, creating safety issues for aircraft parking. Resurfacing of the runway was recommended as a priority to meet the safety standards established by the Civil Aviation Safety Authority.

The Australian Government committed \$43 million to fund the project, and in February 2019 Boral Resources Pty Ltd was awarded the contract for the resealing of the two airport runways, the taxiway and apron, along with replacement of runway lighting.

Construction began in March of 2020 but was soon interrupted by Cyclone Gretel and the COVID-19 State of Emergency which delayed the project. Inadequate port facilities to accommodate the quantity of imported materials, equipment and other resources required further delayed the project.

To counter this, NIRC sought permission from Australian Marine Parks to build a temporary groyne in Ball Bay capable of taking roll-on and roll-off cargo from a barge. However, the groyne required frequent and costly repairs to maintain serviceability.

Work on the upgrade of the airfield lighting system and reconstruction of the apron parking pad were completed by the end of August 2020.



Norfolk Island Airport upgrade

Cost of resurfacing

The airport resurfacing project ultimately cost \$50.19 million, of which only \$45 million was funded. NIRC was required to cover the remaining \$4.8 million.

Unfortunately, due to a failure to introduce user-pays fees and charges, NIRC did not have the funds to pay for its share of the project.

By the end of 2020, the project was contributing to NIRC's worsening financial position and looming insolvency.

Airport screening upgrade

In late 2020, NIRC received a grant from the Australian Government to help eligible regional airports improve aviation security screening.

The Regional Airports Infrastructure Grant of \$75,000, in addition to a \$25,000 contribution by NIRC, allowed for the purchase of a body scanner and multi-view x-ray machine for screening cabin baggage and goods. Structural alterations to accommodate the new security equipment was funded by NIRC.

Following delays from COVID-19 restrictions, the equipment was successfully installed by November 2021.

Airport Master Plan

In August 2020, following a period of public consultation, NIRC adopted a new Airport Master Plan.

The plan outlined goals and objectives for the airport over the next 20 years and provided strategies to address key issues. It included an investment strategy and asset management strategy.

At the same time, NIRC updated the Airport Development Control Plan No. 5, Airport Land Use and Development Plan.

Airport fee increase

From October 2021, NIRC increased airport fees by \$10 per passenger (inclusive of arrival and departure) to \$60 per passenger. This fee increase was needed to cover the costs of running the airport. It provided a small surplus for the airport in the 2021–22 financial year, based on predicted visitors to island.

The 2021–22 financial year saw a depreciation charge for the airport increased by 56% to \$2.4 million, largely due to the resurfacing and repair project.

ROADS

The road network on Norfolk Island had been unmaintained for some time prior to NIRC's Administration. As a result of its poor condition, NIRC was exposed to higher insurance premiums and increasing risks and liability.

Following the Administrator's appointment, several initiatives were undertaken to improve the island's roads.

Australian Government grants for Ferny Lane upgrades

In mid-2022, NIRC applied for several Australian Government grants to upgrade Ferny Lane, a historically significant feature of the island. It was successful in securing funds through the Local Roads and Community Infrastructure Program, and the Roads to Recovery Program.

Funding included \$165,858 to upgrade the intersections and connection of Ferny Lane and Country Road, and \$414,644 to partially fund the resurfacing and upgrade of the complete length of Ferny Lane.

Road Infrastructure Improvement Program

In September 2022, NIRC received \$800,000 from the Australian Government to develop a road map to futureproofing Norfolk Island's road network and associated infrastructure.

The Road Infrastructure Improvement Program included an audit of Norfolk Island's road network and infrastructure, investigation into design and engineering solutions, and a 10-year management plan.

NIRC worked to assess asset conditions and develop a plan to rebuild and maintain the roads at an industry-expected level. All levels of government worked together to improve Norfolk Island's roads, address the needs of community and visitors, and provide local jobs.

Roads audit

From October 2022, NIRC audited the Island's entire road network (80kms in total), using a five-point categorisation system and found that 40% of roads fell below acceptable standards.

NIRC issued an expression of interest seeking suitably qualified contractors to repair the roads where:

- significant renewal/upgrade was required (category 4)
- the asset required replacement (category 5)

A tender was issued via NIRC's vendor panel for the repair of sections of Marsh's Road.

New road surface products

The funding of \$800,000 secured for the Road Infrastructure Improvement Program was used in part to fund three new road surface product trials including:

- PotHole Fix: A one-step pothole or patch repair system to make permanent fixes for immediate use
- Pavement Rejuvenation Seal: A three-step process to improve existing surfaces which:
 - rejuvenates existing bitumen while drawing out unseen water from underneath
 - seals pavement against moisture and chemical ingress
 - prevents chemical breakdown of the sealed pavement by blocking UV rays
- Fibre Reinforced Concrete: A common road surface material used for major arterial roads due to longevity and reduced maintenance costs over time.

The combined use of the pothole and rejuvenation products was expected to improve the sustainability of already-constructed roads by up to 10 years at only a third of the usual cost to reseal a road. They were trialled in combination on older sections of Taylors Road.

The reinforced concrete was trialled on a small stretch of road between Country Road and Ferny Lane.

Public Reserve road access upgrades

In 2021, NIRC committed funding to improve road access to Bumbora Reserve and added a boardwalk in the area. In early 2022, planned upgrades to the reserve continued, with access and egress points sealed with bitumen to future-proof access for residents and visitors.

In September 2022, a \$7 million project began to improve road safety and visitor access to key tourist sites in Norfolk Island National Park. The upgrade was funded as part of the Australian Government's \$233 million investment to replace and renew infrastructure across all Australian national parks.

Three key roads were upgraded in the park, including those to Captain Cook Lookout, Mt Pitt and Palm Glen.

All stage one works were completed by the end of 2022. The second stage of the upgrades began in April 2023 and were completed by mid-2023.

With up to 90% of tourists visiting Norfolk Island National Park, the Australian Government funded upgrades helped enhance the visitor experience.

Making roads safer

In June 2023, NIRC adopted five recommendations identified by the Norfolk Island Road Safety Committee to make the Island's roads safer, including to:

- re-line give-way markings on Ferny Lane at Douglas Drive
- refresh markings and signage at roundabouts on Taylors Road
- check the survey of Taylors Road before line marking
- request that KAVHA do a review the intersection of Pier Street and Bay Street at Kingston
- install a crash barrier (bollards) to protect the hospital's electrical infrastructure (completed January 2024).

Ongoing road repairs

Roadworks maintenance to improve the condition of roads in poor condition in 2023–24 included:

- Two Chimneys Reserve
- Goldies Lane
- Rocky Point Road
- Selwyn Pine Road
- Ferny Lane
- Prince Phillip Drive

Road infrastructure projects in 2024 included:

- Reconstruction of Ferny Lane from Douglas Drive to New Farm Road (R2R Australian Government funding)
- All-weather concrete drive on Mt Pitt to service communications infrastructure.



Kingston Jetty: NIRC made several steps to improve port and lighterage safety.

PORTS AND FREIGHT

By the end of February 2020, problems securing reliable, regular freight services to Norfolk Island were causing food security stress.

With no infrastructure to handle shipping containers, Norfolk Island was still being serviced by a small non-containerised ship, the Southern Tiare, which was the last of its kind and nearing the end of its serviceable life.

Only six deliveries were scheduled for 2020, which were frequently delayed due to weather conditions, mechanical issues and new biosecurity regulations.

During this time, the Australian Government stepped in to subsidise air freight and supplement ship deliveries. However, there were restrictions on items deemed unsafe for air transport, such as livestock feed.

In addition, issues transporting essential plant equipment and materials were causing significant delays to on-island infrastructure projects.

Although freight was not a Council responsibility, NIRC called on the newly appointed General Manager to develop an infrastructure solution for the island's freight issues.

NIRC has been working with the Australian Government to find a way forward and improve the infrastructure on the island with initiatives including:

Proposed port at Cascade Pier

In March 2020, the General Manager proposed the use of Cascade Bay for the development of a new port capable of meeting freight requirements.

In June 2021, the Australian Government approved detailed designs for an Interim landing structure at Cascade Bay.

NIRC approved the development application for the temporary landing structure the following month.

Construction was expected to take place in stages so containerised freight could be accepted at Cascade Bay as quickly as possible.

A container wash bay was also planned at the site to reduce the risk of potential pest and disease incursion from freight.

However, the Australian Government placed the Interim landing structure at Cascade Bay on hold after environmental and development approval.

Ball Bay roll-on/roll-off freight facility

In 2021, NIRC began work on a roll-on roll-off facility at Ball Bay to provide an additional facility to service the island's freight needs.

The proposed Ball Bay facility was not intended to replace a longer-term sea freight solution at Cascade Bay, but to provide an alternative, secondary entry point to the island.

Wagner Group were contracted to design, construct and deliver a modular wharf in line with strict government legislation and requirements.

NIRC kept the Australian Government briefed on the process and sought approval for the roll-on roll off facility from Marine Parks.

It was hoped the project would be funded by a loan from an Australian bank, to be repaid through a user pays system by those using the facility. It was calculated that the loan would be repaid over 10 barge movements per year over five years. When the facility was not in use, it was to be available for recreational purposes.

By October 2022, work had not progressed beyond the design phase. No funding from the Australian Government was allocated, and the project remained stalled as of 2024.

In 2023, NIRC provided the Australian Government with a business case supporting the investment of \$31.5 million to install a new floating jetty in Ball Bay along with associated infrastructure on the southeast coast of the island.

The analysis showed the jetty would provide enormous net economic and financial benefits to local residents and the Australian taxpayer.

As of 2024, no funding from the Australian Government was received.

Lighterage operations

Between December 2021 and March 2022, NIRC worked closely with the Australian Government to resolve problems with the Norfolk Island lighterage service.

Until this time, a small fleet of lighterage boats, hand built by residents, were used to carry cargo from freight ships to Kingston Pier or Cascade Pier.

A review by safety specialists, Bullivants, showed they presented significant risks to Workplace Health and Safety due to their poor condition.

Following the Administrator's appointment, the lighterage fleet was retired and donated to the local museum.

With the support of the Australian Government, NIRC purchased two new self-propelled vessels that met Australian Maritime Safety Authority, ComCare and general safety standards. The new vessels went into use in March 2022.

The 10-tonne, purpose-built landing barges could transport greater loads in less time and in rougher marine conditions.

NIRC also purchased a smaller work punt to complement the landing barge, which was designed for smaller, faster movements of cargo

The new vessels cost approximately \$910,000 and vastly improved the overall efficiency of the lighterage services.

During this time, NIRC made several steps to improve port and lighterage safety including the provision of personal protection equipment and training for coxswain, crane, forklift, port security, and dangerous goods for lighterage crew members.

In March 2022, the Australian Government announced an additional \$800,000 for shipping container handling equipment over the following three to four years.

Consultation on shipping options and port locations

In late 2021, shipping expert Greig Robertson was engaged by the Australian Government to work closely with the Norfolk Island community to design a targeted, robust, end-to-end shipping supply chain to meet long-term needs.

Robertson travelled to the island in early 2022 to engage with members of the community, key stakeholders and the Freight Working Group to come up with advice which would underpin the island's freight strategy moving forward.

This was to include the development of a Ports Management Strategy around long-term infrastructure and management of Norfolk Island's ports and logistics.

However, by May 2022, no long-term solutions had been agreed to.

Consultation also touched on potential port locations, with community response supportive of a permanent facility Cascade Bay, building on existing infrastructure. However, it was clear there was no single port location on Norfolk Island that met all needs.

In October 2022, the Minister of Regional Development, Local Government and Territories, launched community consultation on long-term shipping solutions by carrying out a survey and community forum.

Most people who responded to the Australian Government's consultation were in favour of facilities allowing vessel berthing and container handling. The main issues raised were:

- the high cost of sea freight
- reliability of shipping
- overall shipping volume
- clearing the backlog of freight
- port location
- shifting to containerisation.

During this time, the Australian Government provided additional government-subsidised airfreight to help address critical short falls on the island.

The Minister announced a new shipping service from early 2023 and flagged the need to move towards a solution which would allow shipping containers to be delivered to the island, lowering freight costs and improving supply security.

Maritime Security Plan

NIRC upgrades to the Maritime Security Plan were approved by the Australian Government in 2022 for five years, saving significant time and funding to prepare and lodge the plan for approval on an annual basis.

New ports committees

The inaugural Ports Committee and Ports Transport Committee meetings were held in June 2022 with attendees including NIRC and agency representatives, stevedores and lighterage crew members.

The meetings were the first in a series intended to plan for ongoing improvements to operational outcomes in 2022–23.

NIRC charters

2022 saw several on-island projects stall due to lack of freight options for equipment and materials.

Four Commonwealth-subsidised freight solutions provided by shipping company NPDL provided little to no relief and NIRC was required to source its own solutions.

NIRC chartered *The Ocean Spirit*, a ship from the Port of Melbourne, which reached the island in December loaded with over 700 tonnes of supplies for NIRC.

In addition to general supplies and consumables, the vessel was loaded with equipment and materials for several on-island projects such as:

- the new Jet Patcher and bitumen emulsion to repair the road network
- over 700 solar panels for the renewable energy project
- a drill rig for developing Youngs Road quarry,

- a 25-tonne shredder, an excavator and a bobcat for waste processing,
- a new Blue Nanwi patrol boat and Manitou telehandler for Australian Federal Police
- 47 twenty-foot containers and five flat racks for storing and transporting waste and recyclables
- 14 new electric vehicles.

On its return journey, *The Ocean Spirit* was loaded with 26 containers of waste to be transported through the Port of Brisbane for processing at Swanbank in south-east Queensland.

New cargo vessels

In December 2023, after extensive consultation showing community support for a shift to containerisation, NIRC and the Australian Government jointly funded the design of two new purpose-built Cargo Transfer Vessels to better support the island's ocean freight needs.

The Cargo Transfer Vessels would allow shipping containers to be moved safely from ship to shore and enable the back-loading of material from shore to ship.

Southern Ocean Solutions were contracted to build and deliver the custom-designed vessels.

The vessels were built to withstand the rigors of Norfolk Island conditions, improving safety and reliability for the crew during the loading and unloading of cargo. The design, finalised in conjunction with on-island lighterage and stevedoring teams, allowed for 20-foot shipping containers and breakbulk goods to be carried once appropriate biosecurity approvals were in place.

Funding for the two new vessels and their custom trailers was provided by the Australian Government with the vessels scheduled to be delivered by the end of 2024.

Updated ports traffic management plans

In early 2024, the Ports Committee updated the Traffic Management Plans for both Cascade Pier and Kingston Pier.

The plans had not been updated since 2019, and needed

to identify new hazards and mitigation measures due to activities like cargo and cruise ship unloading.

With more potential hazards around these activities than in the past, it was recommended the areas be avoided by members of the public at those times where possible.

TELECOMMUNICATIONS

Historic and ongoing challenges

A lack of adequate telecommunications on Norfolk Island is one of the biggest issues the community has had to deal with.

Under the former governance structures, NIRC (formerly the legislative assembly) operated its own telecommunications government business enterprise, Norfolk Telecom.

Established in 1992 and operating under its own act, Norfolk Telecom provided a public switched telephone network, ADSL Internet, and a 2G mobile telephone network. NIRC would later introduce limited satellite services, however by 2016, the island's telecommunications network could not meet the demands of the internet age.

In 2016, GloNet Pty Ltd were contracted to install NBN Skymuster satellite networks on the island, carrying out over 800 domestic and commercial installations around the Burnt Pine-central business district, and Kingston and Arthurs Vale Historic Area.

The full rollout of the network was blocked by the Elected Council at the time, which refused access to infrastructure and would not allow a mast to be erected atop Mt Pitt to increase coverage.

In 2017, NIRC applied for Australian Government funding through the Building Better Regions Fund to modernise the island's telecommunications infrastructure, receiving \$3.45 million for partial funding of:

- a new 4G LTE mobile network and an upgrade of the existing fixed network

- a satellite ground station upgrade at Anson Bay to provide an internet gateway for the island
- an antenna upgrade (to access O3b satellites) and caching equipment
- an upgrade to the existing wi-fi hotspot.

The future-proofing project was put out to tender by NIRC in October 2018, but by June 2019 no contracts were awarded.

During this time, the Island's 2G mobile network was still operational but no longer supported by the manufacturer, Ericsson, and the 2G telephone exchange (Ericsson AXE) was obsolete. There were concerns the 2G network and other supporting infrastructure could fail at any time, impacting the island's entire telecommunications network.

In 2020, infrastructure to support a 3G/4G mobile network began rolling out across the Island, with the addition of \$3.5 million in Australian Government funding. While this expanded the island's broadband service, connectivity was still poor by Australian Standards.

A 2020 inquiry was launched by the Joint Standing Committee on the National Capital and External Territories to assess the availability of and access to communications infrastructure across Australia's external territories. COVID-19 disruptions stalled the inquiry however, with no progress made as of 2024.

Finding solutions

In 2021, after NIRC went into Administration, a review of telecommunications was carried out to investigate alternative solutions to Norfolk Telecom.

The resulting report found substantial telecommunication asset replacement was required, with significant external funding required to do so.

In late 2022, NIRC put forward a business case to the Australian Government proposing a telecommunication solution which would consolidate internet capacity to meet Queensland Education and Health needs and make Norfolk Telecom sustainable.

\$7.35 million was provided by the Australian Government for upgrades over two years, with Telstra contracted to deliver the island's satellite backhaul connection and network upgrades.

Faster network speeds resulted in improved delivery of education at Norfolk Island Central School and healthcare at the Norfolk Island Health and Residential Aged Care Service, which included dedicated bandwidth supported telehealth appointments and faster communication with mainland medical services.

In August 2023, NIRC began discussions with the Australian Government about the divestment of the island's telecommunications to ensure appropriate services at an affordable price under a universal service obligation arrangement.

OTHER INFRASTRUCTURE UPGRADES

Taylor's Road upgrade

In January 2021, NIRC completed the upgrade of the pavement on Taylor's Road to improve the access and attractiveness of the Burnt Pine town centre.

The pavement was improved through a combination of grading, re-levelling, shaping, adding specialised aggregate, pressure rolling and emulsion sealing to create a smooth and accessible pavement surface.

Fuel pipeline upgrade at Ball Bay

The fuel pipeline at Ball Bay is a crucial asset, allowing safe and efficient delivery of petrol, diesel and aviation fuel to the island.

By 2021, the pipeline was in a state of ill repair due in part to significant rust and corrosion, resulting in fuel spills into Ball Bay on more than one occasion.

Work on the project started towards the end of 2021 with:

- the rusted sections of pipeline replaced with brand new stainless steel designed to be more resilient in coastal environments
- a one-way valve to ensure fuel could only flow into the pipeline, preventing fuel spills
- protective coating to further protect from exposure to the elements
- taping to secure and protect the pipe where it entered the ground.

The pipeline was completed and ready to receive fuel in May 2023.

New Cascade Road carpark

In early 2023, NIRC prepared designs for a new car park at New Cascade Road.

The designs went on public exhibition in July for a free, 43-vehicle capacity carpark including:

- 24 car spaces
- 17 informal overflow bays
- two tour bus spaces.

Construction was completed in October 2023 by on-island specialist contractors and NIRC's roads and depot teams.

A competition to name the car park resulted in it being called, 'Bun Pine Kaa Park' in Norfolk language, meaning 'Burnt Pine Car Park.'

New skatepark

In early 2022, a proposal was submitted by Norfolk Island Primary School students, for a new skate park, including a draft concept and a petition with 103 signatures supporting the application.

With support from the Youth Advisory Committee, NIRC sought input from the community through a survey, receiving 292 responses, 98% of which supported the skatepark.

As a result, NIRC sought quotes for the project and appointed award-winning skatepark designers, CONVIC to help design and build it.

CONVIC held community engagement for early design work including:

- pre-design workshops in February 2024, attended by 56 people ranging from all ages,
- an online survey for those who couldn't make it to the workshops in person but wanted to share their ideas and concepts
- school engagement with around twenty students taking part.

A draft design was submitted in late April 2024 with further consultation due in mid-May.

Multi-use recreational trail

In early 2023, NIRC began work on the Master Plan for a multi-use recreational trail designed to link together tourism sites and experiences across the island, drawing on preliminary work conducted in 2014 on the Great Norfolk Walk.

The accessible walking and cycling trail was to link together parts of NIRC's road network, public reserves and other existing trail locations.

Preliminary stakeholder meetings were held in March 2023 to understand what considerations for the development of the draft plan.

\$2.5 million was being budgeted for development of the trail in the 2023–24 financial year.

NIRC undertook community feedback for the draft plan in August and September 2023.

PFAS remediation

In July 2022, the Australian Government provided funding to remove PFAS, a category of potentially hazardous synthetic chemicals, from all Norfolk Island Fire Service vehicles.

In August 2022, the Fire Services' underground hydrant tanks were cleaned and resealed and all Fire Service vehicles were cleaned and flushed. The contaminated water was captured through a point-of-entry treatment filtration system and safely stored until its removal.

NIRC chartered cargo ship, The BBC Emsland, to transport the contaminants in three 17,500L ISO tanks to mainland Australia. The MT Lavery Group were contracted to dispose of the waste at an accredited PFAS disposal facility.

Following the PFAS removal, the point of entry filtration system was relocated to the airport bore. Once water samples were clear of PFAS, the filtered water was directed into the fire services hydrant system and sewage treatment plant for non-potable commercial operations, ensuring security of rainwater supplies.

NIRC secured the Australian Government's commitment to cover the costs.

Lighting Management Policy

In September 2023, NIRC received a proposed NIRC Lighting Management Policy, written voluntarily by an independent consultant and presented by the Reserves and Conservation Advisory Committee.

The proposed policy aimed to preserve the island's unique view of the stars by preventing light pollution through:

- shielding of lights and lighting only on areas intended to avoid light spill
- using the lowest intensity lighting appropriate for a task.

Following review and updating, the proposed policy was made available to the community for public comment.

COVID-19 stimulus funding projects

In August 2021 the Australian Government committed \$55.6 million over four years to help Norfolk Island recover from the impacts of the COVID-19 pandemic.

The relief scheme provided aid to local businesses and supported the delivery of 22 NIRC projects, including:

Refurbishing historic buildings

\$2.5 million was used to refurbish the Bicentennial Building and expand the Visitors Information Centre.

Bicentennial Building

The refurbishment of the Bicentennial Building enabled all NIRC staff to work in a central location for the first time. The new building complex was officially opened in November 2022 by Minister for Regional Development, Local Government and Territories, the Hon Kristy McBain MP.

New library

\$1 million was allocated to build a new library in the civic precinct, increasing the number and range of services offered to the community.

NIRC also resolved to seek funding to refurbish the former library building to meet the standards of National Archives of Australia legislation and for records digitisation.

Repair of community assets

\$350,000 was allocated to Rawson Hall which was re-roofed, painted, carpeted and soundproofed. A further \$100,000 was spent on repairs to the community youth centre.

Footpath and roundabout improvements

A total of \$1.5 million was used to complete the 4-km continuous footpath connecting the airport carpark to the school. A roundabout was also built on the corner of Taylors Road and Grassy Road along with under-road drainage.

Sports facilities and playground upgrades

\$50,000 was allocated to resurface netball courts, and \$250,000 was spent on new playground equipment, including renovations to the Lions Park Playground.



Footpath and roundabout improvements



ECONOMY & FINANCE

Challenges

Prior to 2015 Norfolk Island's independence, generous taxation system and thriving tourism sector provided partial autonomy from the Australian mainland. By 2015 these industries had substantially declined. The island's Legislative Assembly was unable to deliver essential services and highly dependent on external support.

From 2011 to 2016 the Australian Government provided \$190,580,000 in allocated funding and grants.

Table 1: The Department's budget allocation for Norfolk Island (1979-2015).

DATE	AMOUNT	REASON
2015-16	\$136.00 million	Norfolk Island reform
2014-15	\$7.50 million \$2.00 million	Norfolk Island financial assistance Norfolk Island governance reforms
2013-14	\$5.40 million	Norfolk Island financial assistance
2012-13	\$2.90 million	Further reforms
2011-12	\$6.40 million	Norfolk Island financial assistance
Total \$160.20 million		

Table 2: The Department's additional financial assistance to Norfolk Island (1979-2015)

DATE	AMOUNT	REASON
May 2013	\$0.43 million	Regional Development Australia Fund grant: Norfolk Island municipal waste processing upgrade
May 2013	\$13.00 million	RDAF grant: Norfolk Island Port facilities upgrade
2011-12	\$2.50 million	To underwrite new contract with Air New Zealand September
2011	\$11.20 million	To terminate contract with Air Nauru
1998	\$3.25 million	Cascade Cliff safety project (loan)
Total \$30.38 million		

In 2016 the Assembly was dissolved and NIRC was established under an applied version of the New South Wales Local Government Act 1993.

This Act gave Norfolk Island a mechanism to raise income through rates and charges. These new rates attracted community criticism and only \$500,000 was raised in the first year, well short of the Australian Government's target of one million dollars.

Consequently, Norfolk Island remained dependent on external support.

Budgeted financial assistance 2015-2022

The following tables outline the Australia's annual spending on Norfolk Island services. These figures included Service Delivery Agreements with the Queensland Government.

Table 3: The Department's annual spending on services to Norfolk Island (2015 - 2023)

DATE	AMOUNT
2021-22	\$72.68 million
2020-21	\$60.56 million
2019-20	\$47.22 million
2018-19	\$46.43 million
2017-18	\$32.62 million
2016-17	\$26.16 million
2015-16	\$8.25 million
Total	\$293.92 million

Additional financial support 2015-2022

Table 4: Additional financial support to Norfolk Island (2015 – 2023)

DATE	AMOUNT	REASON
2023	\$1.25 million	NPDL short-term barge service
2022-23	\$2.07 million	Toll air freight services
February 2022	\$0.60 million	COVID-19 booster payments for eligible businesses
2021-22	\$1.10 million	Underwriting air passenger services - QANTAS
2021-22	\$2.17 million	Toll air freight services
August 2021	\$2.70 million	COVID-19 support payments for small businesses
May-June 2021	\$0.63 million	5 x special purpose air freight services
2020-21	\$47.00 million	Reseal the airport's two runways and apron
2020-21	\$3.45 million	To support the installation of a new 4G network on Norfolk Island, which will support the Norfolk Island Telecom GBE to deliver a more reliable telecommunications service
July 2020	\$5.45 million	COVID-19 stimulus package
2019	\$10.90 million	Waive of loan to former NI Legislative Assembly to upgrade NI airport runway in 2005
2019	\$4.96 million	Passenger transfer vessels to improve accessibility to island for cruise ship passengers
2019-20	\$0.75 million	Toll air freight services
2018-19 - 2019-20	\$0.78 million	Support for tourism services on Norfolk Island
2018-19 FY	\$0.16 million	Toll air freight services
2018	\$16.90 million	Extend and upgrade Cascade Pier
November 2017	\$0.90 million	Building Better Regions Fund (BBRF) grant: Banyan Park early education and care facility upgrade
2016-18	\$2.40 million	Support the firefighting operations
2016-18	\$1.41 million	Support for museums
2016-18	\$2.80 million	Upgrade health services
2016-18	\$1.30 million	New medical equipment
2016	\$13.00 million	Upgrades to Cascade Pier (including hydraulic crane)
Total	\$122.25 million	

By December 2020, NIRC faced insolvency due to the impact of the COVID-19 pandemic and unfunded projects (primarily the airport repair project). The Australian Government intervened to prevent this with three million dollars funding.

After an initial period of Interim Administration, on 6 December 2021 the NIRC councillors were dismissed and an Administrator was appointed.

Solutions

External Audits handed down in late 2020 by Nexia and Grassroots Connections Australia found that NIRC should retain at least \$7 million in working capital. NIRC set \$8 million as its goal.

In November 2021, the Public Inquiry into Norfolk Island concluded that NIRC must increase land rates by 38 per cent.

By the end of 2021-22, the community contributed \$1,460,000 through ordinary rates and other service charges (such as sewerage services).

Service charge reform

In June 2022, NIRC put the *Draft Delivery Program 2022-2026* and *Operational Plan 2022-2023* on public exhibition.

These signalled that NIRC must raise \$1,800,000 in 2022-23 to recover the full cost of waste management and end disposal of waste into the Pacific Ocean. This was to be included on residents’ rates notices (as it was in 2021-22), and the ticketing system at the Waste Management Centre removed so ratepayers and residents could have unlimited access.

Rating reform

Under the *2022-2023 Operational Plan* and *Revenue Policy* adopted in July 2022, there was a shift from four rating categories to 23 sub-categories. These were designed so contributions to NIRC’s operating costs from the community were more equitable.

The change aimed to reduce total rates and charges for most small to medium residential properties, benefitting around 760 properties. However, there were rates increases for large residential properties, business and farmland.

The change of Australian Government in May 2022 delayed the implementation of these reforms.

Following discussions with the Department in July 2022, NIRC agreed to stagger the implementation of rates rises over multiple financial years to reduce community impact.

The Australian Government also provided one million dollars of additional funding in the 2022-23 financial year (including a special rates subsidy of \$200,000) to reduce residents’ financial hardship and support a staged introduction of higher rates.

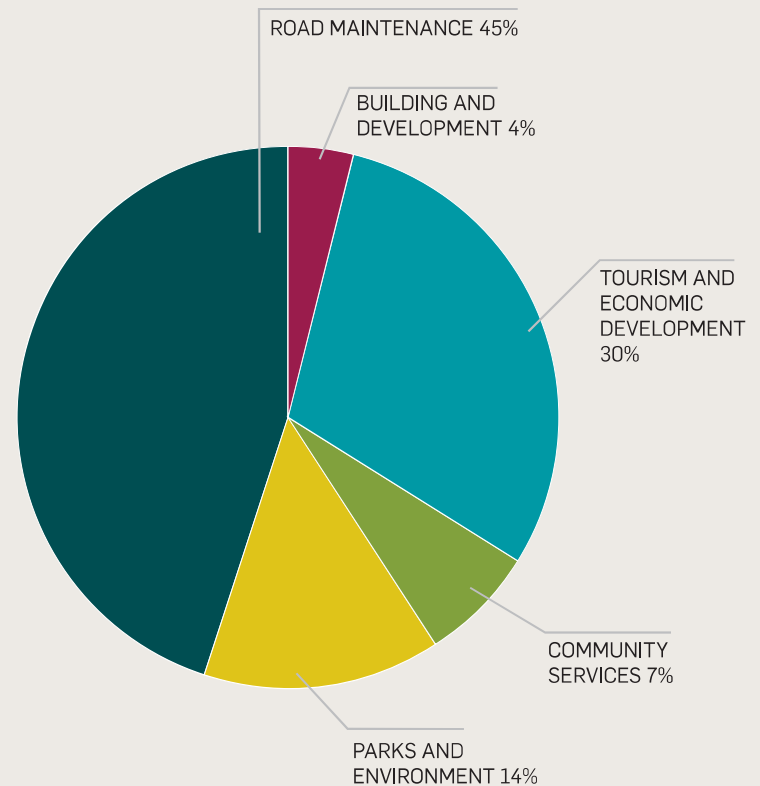
This reduced the proposed increase in rates to 25 per cent, rather than the 38 per cent planned.

Success

Rates

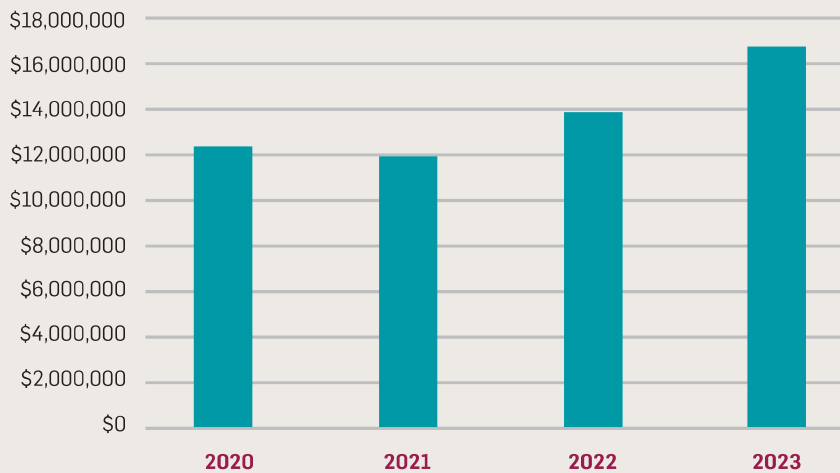
Despite community opposition, revenue from rates and other charges grew to \$1,800,000 in 2022-23 (partially-funded by a one-off Special Rate Subsidy of \$200,000 from the Commonwealth).

This graph describes how rates provide community benefits.



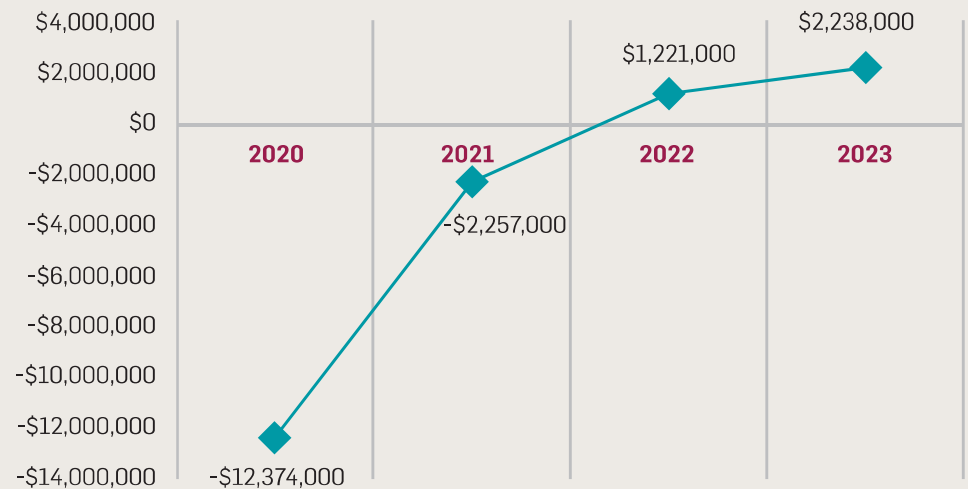
User contributions

Similarly, NIRC continues towards its goal to self-fund all business units, including waste management. This table shows increasing community contribution to essentials from 2020 to 2023.



Profit and loss

NIRC went from making a loss of \$12.374 million in 2020, to being \$2.328 million in profit at the end of 2022-23.



NIRC achieves a surplus

Following continuous improvement in efficiency and sustainability, NIRC finished the 2022-23 financial year with a budget surplus of \$684,000, \$184,000 higher than the initial projection of \$500,000.

The improved 2022-23 figure was due to NIRC’s success in securing more than \$600,000 in funding for road improvements from the Australian Government.

TOURISM



Filming for Channel 7's Our Town

Tourism is the single biggest industry on Norfolk Island.

In 2023, advisory firm Delta Pearl Partners found that tourism represented around 40% of economic activity on the island, with 8.4% of the workforce reporting they worked in the accommodation sector (eight times more than on the Australian mainland).

In the previous two decades however, the island experienced a downturn in visitation, with a shift in visitor preferences, the availability of more diverse and economical accommodation options such as Airbnb, and growing competition from Pacific Island destinations.

The situation was exacerbated by the COVID-19 pandemic, with travel restrictions having a significant impact on the island’s tourism industry.

In 2020, NIRC saw the downturn in tourism as an opportunity to review the *Norfolk Island Tourism Accommodation Act 1984*. Several issues were raised including:

- lack of a requirement to comply with health and safety/ public health legislation
- minimal requirement for fire inspections by a qualified authority
- absence of insurance requirements
- inability of authorised officers to enforce the legislation and impose fines without having to initiate court proceedings, and
- no right of appeal for registered properties.

A discussion paper was prepared and put out for community consultation. Unfortunately, much of the legislative change being called for required Australian Government approval.

As part of the Australian Government’s 2020 COVID-19 economic stimulus package for Norfolk Island, more than \$400,000 was provided for tourism promotion to reinvigorate the industry.

The White Tern Project launched in February 2021, to help the island attract younger, higher-spending customers. The digital strategy successfully attracted a higher-yielding clientele.

A second digital campaign was launched in mid-November 2021 and succeeded in providing destination awareness to a younger demographic.

Unfortunately, the island’s first COVID-19 outbreak in January 2022 had a significant impact on the local economy, which was not easily recovered from in the following months.

With restricted travel to the island, there was a 61.6% fall in visitors in January 2022 compared to January 2020. Tourism losses for the month of January 2022 were estimated at \$1.7 million based on an 11-year average trend.

By the end of February 2022, the 2021–22 year-to-date visitor numbers remained well down on 2019–20 by 42.3%, creating a potential economic loss for NI Tourism for the year-to-date of \$11.1 million.

This had a devastating impact on the island, with revenues down across museums by 64.9%, tourism by 58.8% and the Liquor Bond by 31.3% compared to January 2021.

Fortunately, tourism bounced back in March 2022, due to the end of lockdowns and the destination awareness digital campaign. Norfolk Island Tourism announced the best March and April tourism figures on record in 2022.

The same month, the Australian Government announced a further \$1.2 million in funding for tourism marketing over the following three years.

Since 2023, Norfolk Island has been exploring opportunities for responsible tourism to improve social, environmental and economic outcomes for the Island, along with accessible tourism to improve accessibility for senior visitors and visitors with disabilities.



Norfolk Island’s history as a penal colony is a major tourism attraction.

GOVERNANCE



Council Administrator

In 2021, NIRC's Councillors were dismissed and a Council Administrator appointed. As mentioned earlier in this report, the Administrator assumed the functions of Councillors and Mayor under the Local Government Act 1993 (NSW) (NI).

This role is separate to the Norfolk Island Administrator who is appointed by Governor-General of Australia and represents the Australian Government on the island.

Future options

Norfolk Island's history and circumstances promote the influence of individuals with strong familial ties to the Bounty mutineers over the wider population.

Restoration of a fully elected governing body risks reversion to the former status quo, potentially requiring ongoing review and further periods of Administration.

Three options for continuing governance stand out:

1. Remaining a typical local government authority risking poor governance and possibly requiring further intervention.
2. No local government authority, with the Australian Government taking full operational control of local services and regulatory affairs across the island, removing the traditional local governance layer.
3. A 'board' model with a statutory board responsible to Australian Government - preferably including two islanders elected by the local community and three other appointed members with specialist management expertise, one of whom would be the Chair. The Board would be responsible for any care, control and management functions for the island, its affairs and residents that are not retained by the Australian Government.

In his submission to the Joint Standing Committee, the Administrator expressed concern about NIRC being run by a fully elected Council straight out of Administration. This submission recommended establishing a local board as a transitional arrangement to provide the Norfolk Island community access to professional risk management and financial management skills.

The Administrator also said that if the Inquiry did not support a board structure, that NIRC should continue to operate as a local government authority under applied state legislation, which should be changed from New South Wales legislation to Queensland legislation.

The Administrator also recommended the revenue framework of property-based rates and charges and other fees for service be retained in line with other remote councils across Australia.

Norfolk Island Governance Committee (NIGC)

The Norfolk Island Governance Committee was established as a transitional entity to provide Norfolk Islanders a direct voice in their future. This NIGC comprised:

- three democratically elected community representatives
- the Norfolk Island Administrator
- one representative from the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts, and
- one representative from the Queensland Government Department of the Premier and Cabinet.

The NIGC met for the first time in October 2023.

In line with the Minister's request to the NIGC, on 28 June 2024, the Minister was provided with the key elements of the new governance model developed by the NIGC and informed by consensus agreements made at the two-day workshop held in Brisbane 12 and 13 June 2024. These include:

- The enactment of new primary legislation to establish a Norfolk Island Assembly with law-making authority.
- The Assembly will be able to make new Norfolk Island laws that will over time replace the Norfolk Island Continued Laws, restoring a more direct and simplified approach to democratic law-making for Norfolk Island.
- Continuation of the Norfolk Island judicial arrangements
- Continuation of Queensland service delivery for health support services, correctional services, and education on Norfolk Island
- Consideration of alternative revenue sources to replace rates.

Though there is broad consensus on these agreements made to date, the NIGC acknowledges there is still much work to do on the details of the governance model. This includes:

- transitional arrangements
- new public service and administration of Norfolk Island
- development of a sustainable revenue model.

The NIGC agrees there is an ongoing need for community consultation on the further work to come in creating a bespoke governance model for Norfolk Island in cooperation with the Australian and Queensland Governments.

Council's recommendations are in direct contrast to the above proposal, as we see this as a retrograde step for the past four years of work under Administration.

Joint Standing Committee Inquiry into Norfolk Island governance

The Joint Standing Committee was tasked to examine models of local government and equitable revenue sources to support them.

The terms of reference were developed in collaboration with the Norfolk Island Council of Elders and Norfolk Island People for Democracy, a group established to restore self-governance on the island.

On 28 November 2023, the Joint Standing Committee released its "Restoring Democracy: Report of the inquiry into local governance on Norfolk Island". This report made seven recommendations providing the foundation for a new democratically elected governing body to be established on Norfolk Island.

This included the creation of a new bespoke governing body, made up of a majority of locally elected members, who would work with representatives appointed by the Australian Government.

The Minister announced that the Norfolk Island Governance Committee would lead further community consultation on the future governance model.

The Joint Standing Committee also recommended the re-inclusion of a preamble in the governing legislation recognising Norfolk Island's distinct culture and the nature of the relationship between the island and Australia.

FOOD SECURITY



In December 2021, in response to the risk of food insecurity on Norfolk Island, NIRC engaged the University of Newcastle to work with the community in developing the Norfolk Island Food Security Strategy 2023–2028.

Although the island has a history of agricultural self-sufficiency, there had been a shift away from relying on local food systems in recent decades, with most food being imported.

This exposed residents to volatile international food prices and unreliable, expensive supply due to freight issues.

The community had no food reserves for food security, with the potential for natural disasters, pandemics and/or geopolitical conflicts to impact on global food supply chains and food prices.

The Administration recognised the need for a reliable and affordable supply of food at all times, but there were impediments, including high energy and input costs, expensive freight and irregular freight schedules, water insecurity and frequent droughts.

Work on the Food Security Strategy was aligned with the Community Strategic Plan 2016–2026, which aimed to create a food-secure community.

The goal was to develop a strategy and five-year action plan to support the local agricultural economy and build resilience through regenerative farming practices, increase agrobiodiversity and optimise the use of resources. Any strategy needed to consider the impact of climate change, isolation and external dependence, costs and water access.

An Agricultural Audit and Land Use Capability Assessment was carried out by Pinion Advisory to identify the most productive land on Norfolk Island and establish how to improve agricultural productivity. It found a number of issues which needed to be addressed, including the need to:

- maintain conventional and organic production systems
- improve plant varieties and agronomic practices
- carry out soil testing
- increase growers' ability to identify pests and weeds and improve weed control

- reinvigorate protected cropping production systems
- improve the efficient use of irrigated water
- establish a cool storage facility
- improve livestock production, and
- improve agricultural producers' business management skills and training.

The assessment found the island's climate was suitable for producing a range of fruit, vegetables and pasture for livestock and there was enough high-quality agricultural land for self-sufficiency, but agricultural practices had to change to improve production.

A series of free food security workshops (funded by NIRC) were held on the island in November 2022, attracting a high level of interest, with 237 registrations across 17 sessions.

Those who attended benefitted from the knowledge of visitors and local experts on issues like pest management, biosecurity, soil management and small farm management. Sessions were also dedicated to local growers, who discussed their businesses and how to improve the island's future food security.

The strategy and a list of priorities to support a food secure island were released for public comment in December 2022 so residents could provide feedback on initiatives which could support its implementation.

The final Norfolk Island Food Security Strategy 2023–28: Growing the local food economy for a resilient, sustainable and healthy community was released in early 2023 and made available on NIRC's website.

The work helped stimulate new agricultural ventures on the island as residents worked towards creating more food security for the community.



Norfolk Island Food Security Strategy 2023–28: Growing the local food economy for a resilient, sustainable and healthy community

Norfolk Island cow

EMERGENCY MANAGEMENT

COVID-19 response

State of emergency

Norfolk Island operated under a state of emergency for more than two years between March 2020 to 30 July 2022 as a result of COVID-19,

In March 2020, NIRC imposed a 32-day travel ban and declared a State of Emergency as a precautionary measure because of the island's extremely limited health capacity.

Considerable time and resources were dedicated to managing the pandemic.

Norfolk Island did not have a single COVID case from July 2020 to June 2021 but introduced a management system of permit entry to the island.

NIRC representatives attended numerous meetings of the Emergency Management Team and the Incident Management Team. NIRC also provided a dedicated welfare worker and helped the Norfolk Island Health and Residential Aged Care Service roll out vaccinations.

After the first two positive cases of COVID-19 were identified on 30 December 2021, things escalated quickly, and by 26 January 2022, 75 cases had been confirmed.

By the end of September 2022, over 1,000 cases had been reported among locals and visitors.

With the signing of the Memorandum of Understanding with the Queensland Government for state-type education and health services in January 2022, the Norfolk Island

Administrator recommended that Norfolk Island merge with Queensland's emergency management framework.

However, the recommendation was not acted on and the Australian Government is still responsible for the island's emergency management arrangements.

Financial assistance

From August 2021 through to March 2022, \$1.49 million COVID assistance payments were provided to 86 local businesses through the Australian Government's COVID Business Relief Grant Program.

The program provided businesses a tiered one-off payment ranging from \$5,000 to \$15,000 (taxable) depending on the size of the business, their losses and annual turnover.

Business owners were also eligible to apply for three fortnightly payments totalling \$4,500 to cover labour expenses until border restrictions were lifted in 2022.

Eligible business expenses included salaries and wages, utilities and rent, financial advice, legal or other advice, marketing and communications, perishable goods and other business costs.

In addition, legislative amendments allowed more flexibility and time to manage debt, which eased the impact of COVID-19.

The minimum amount of debt that could trigger bankruptcy was changed to \$10,000 (instead of \$2,000) and the statutory minimum for a creditor to issue a demand to a debtor company was increased to \$2,000 (from \$1,000), in line with mainland Australia.

Cyclone Gabrielle

On Tuesday, 7 February 2023, Norfolk Island's emergency management controller was formally contacted by Australia's National Emergency Management Agency, which advised a tropical low had developed over the north-east Coal Sea.

There was a 50% chance of it strengthening to form a tropical cyclone within two days, and it was thought it may remain a tropical cyclone as it moved towards the island.

The Emergency Management Norfolk Island Committee is responsible for activating the Norfolk Island Disaster and Emergency Management Plan to support the control and coordination of emergency response to disasters and the resources needed.

The Cyclone Response Plan was activated on Wednesday, 8 February 2023 as the tropical low intensified and was named Cyclone Gabrielle.

Daily media releases and text messages were used to inform residents that the cyclone could become a category two, bringing wind gusts of 120-140km/h.

Rawson Hall was opened as an emergency shelter manned by volunteers on Saturday, 11 February 2023.

Fortunately, the highest wind recorded was 102km/h, and although there were over 40 calls for assistance, mainly for trees down and power outages, the island avoided a serious disaster.

PROGRESS OF EXTERNAL AUDIT FINDINGS IMPLEMENTATION

In October 2023, NIRC received the results of a review into its implementation of the external audit findings.

The evaluation was based on the 'Better Evaluation Framework' under the Global Evaluation Initiative which was used to monitor and evaluate the outcome and success of NIRC's progress.

The External Audit Findings Implementation Program - Interim Impact Evaluation found that the Administration were to be commended on the progress made on the priority issues in the original audit, as well as:

- improved working relations with the Australian Government
- financial sustainability
- infrastructure upgrades, and
- environmental management.

It found that progress developing an integrated planning framework and community engagement were affected by the dismissal of the Elected Council (in 2022) and the Joint Standing Committee on the National Capital and External Territories Committee inquiry into future governance and financial arrangements.

However, the report noted significant progress and tangible impacts had been made in developing and operating an effective NIRC which continues to improve its capability and capacity to deliver essential services for the benefit of the Norfolk Island community.

Grassroots Connections recognised the difficulties NIRC has in attracting and retaining qualified, skilled staff (like all rural and remote councils across Australia). The consultants noted NIRC's need to use external staff, as it is not possible to attract, retain, adequately house and support all staff and families on location in isolated communities like Norfolk Island.

The Australian Government's support of NIRC's efforts to increase its revenue and the Government's agreement to increase financial assistance grants to provide ongoing financial support were acknowledged.

The review report recommended that NIRC be given the opportunity to provide input into the community-dominated Norfolk Island Governance Committee, given its role and responsibilities and the significant projects it was responsible for. This has not occurred.

Further, it recommended that the Australian Government engage with NIRC about the Joint Standing Committee on the National Capital and External Territories Committee findings, in acknowledgement of the significant progress NIRC has made while under administration to address the challenges identified in the external audits and the 2021 Public Inquiry. This has not occurred.

Finally, the reviewers found that the ongoing implementation of the External Audit Findings had helped create an effective local government model, addressing the legacy of a backlog of financial, infrastructure and environmental issues and establishing systems and processes to enable it to operate more effectively.

CONCLUSION

This report demonstrates, by reference to many successful NIRC initiatives and improvements throughout the period of Administration, that continuation of a local government framework under a 'board' style model, will best secure Norfolk Island's long-term financial, social, and environmental future.

In July 2024, after lengthy investigation, NSW Minister for Local Government, Ron Hoenig, announced a new governance model for Central Darling Shire Council (CDSC) in Far Western NSW (2022 Census Population 1725 ; Indigenous 630). CDSC has been in administration since 2013 due to financial pressures. It includes Wilcannia, White Cliffs, Menindee, Tilpa, & Ivanhoe. Similar to current arrangements for Lord Howe Island, CDSC will have a skillset based, 'Board style' council model comprising 3 appointed members and 3 elected. The Chair will be appointed and will have a casting vote.

The new entity will look and feel like a council with all the existing powers of a council - including the retention of land rates. The legislation is expected later this year (2024). This announcement provides a pathway example for the Commonwealth Government to follow by revisiting the 'board' model that NIRC proposed to the JSC.

The NIRC Administration strongly discourages the proposal of the Norfolk Island Governance Committee as a retrograde step that would revert to unsustainable outcomes and require substantial ongoing Commonwealth financial support.





