
11 DECISION REPORTS**11.9 EXTERNAL AUDIT FINDINGS IMPLEMENTATION PROGRAM - INTERIM EVALUATION REPORT**

Reporting Officer: Andrew Roach, General Manager
Department: GM Office
File No: N/A
Presented For: Adoption

PURPOSE

To provide Council with the Review Findings from Grassroots Connections Australia regarding the External Audit Findings Implementation Program – Interim Impact Evaluation.

OFFICER RECOMMENDATION:

1. That the External Audit Findings Implementation Program Interim Impact Evaluation report from Grassroots Australia Pty Ltd dated 26 October 2023 be received and noted.
2. That Council endorse the following recommendations as provided in the report:
 - a. NIRC continue to invest in its Advisory Committees which are value adding to council's future direction, policy and programs as well as being a conduit to reporting on progress on the EAFIP back to the community.
 - b. NIRC via the General Manager consider how best to streamline the reporting requirements of the EAFIP to alleviate workload on the Executive Management Team.
 - c. NIRC continue its implementation of the EAFIP generally with a close focus on the remaining planning and workforce issues, noting that:
 - i. Action on the updated planning framework has not progressed as envisaged with the dismissal of the elected council in 2021 and the redirected focus on this issue with the change of Australian Government in 2022 and the yet to be completed Parliamentary Joint Standing Committee Inquiry as well as the establishment of the Norfolk Island Governance Committee.
 - ii. The Grassroots Connections Australia external audit report recommended the updating of NIRC's Workforce Plan to include an analysis of current and future resourcing needs as well as an organisation wide skills inventory and training needs analysis. This was seen as informing the need for targeted investment in organisational development programs.
 - iii. These recommendations were against the backdrop of the difficulties faced by all rural and remote councils in Australia in attracting and retaining staff. This is a challenge faced more broadly across both public and private sectors. Developing local expertise to the greatest extent possible in combination with external staff resourcing is necessary to secure the required professional and technical skills needed to manage the complexity and diversity of the roles and responsibilities of local government today. This is particularly so for Norfolk Island given the State Delivery Arrangements and broad functions of NIRC.
 - iv. As part of the interview process it was highlighted that NIRC has been criticised for its off island staffing and service support functions in Brisbane. This situation is not unique to NIRC. This is a practice adopted by many rural and remote councils in Queensland and across Australia which have staff working remotely from larger regional centres in shared offices. Indeed, the Torres

Strait Island Regional Council serving 17 communities in the Torres Strait between the Australian mainland and Papua New Guinea has its head office in Cairns. In today's employment market it is not possible to attract, retain, adequately house and support all staff and families on location in rural, remote and isolated communities.

- d. The Australian Government support the efforts of NIRC to increase its own source revenue raising efforts, noting its revenue ratio does not currently meet the industry benchmark.
 - e. The Australian Government acknowledge the inherent disability factors faced by NIRC and support its representations for increased Financial Assistance Grants to provide assurance of consistent financial support long term.
 - f. NIRC be provided the opportunity to input into the processes of the Norfolk Island Governance Committee given its current role and responsibilities and the significant infrastructure projects currently underway.
 - g. The Australian Government fully engage NIRC in the consideration of the findings of the Parliamentary Joint Standing Committee Inquiry when released acknowledging the significant progress made by NIRC in addressing the challenges identified in the external audit reports and 2021 Public Inquiry.
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BACKGROUND

In November 2020, an Independent Governance and Financial Audit of Norfolk Island Regional Council was completed by Grassroots Connections Australia Pty Ltd for the then Commonwealth Department of Infrastructure, Transport, Regional Development and Communications (DITRDC).

This report presents to Council the review findings from Grassroots Connections Australia regarding the External Audit Findings Implementation Program – Interim Impact Evaluation, and is the follow up comprehensive report to their initial Interim Impact Evaluation Report submitted to the September 2023 Ordinary Council Meeting, and is provided at attachment 1.

DISCUSSION/CURRENT ISSUE

Grassroots Connections Australia, as the lead author of the November 2020 Independent Governance and Financial Audit of Norfolk Island Regional Council have been engaged to:

1. Evaluate the progress to date of NIRC's EAFIP; and
2. Report on whether the actions undertaken as part of this Program are resulting in improvements to the key challenges as outlined in both external audit reports and the Public Inquiry, and further, how the Program will contribute over the longer term to achieving Council's vision: Norfolk Island – the Best Small Island in the World.

The Interim Impact Evaluation Report assesses the progress that Council has made in the implementation of the total 113 External Audit Findings (EAF) which were adopted by Council on 24 February 2021 (Resolution No: 2021/3), and the 7 broad findings of the Public Inquiry that were noted by Council at the Extraordinary Council Meeting on 21 December 2021.

The report covers the implementation of recommendations contained in the 2020 Independent Governance and Financial Audit Report (Grassroots Connections Australia); 2020 Nexia Financial Position Report; NIRC Strategic Corporate Plan, and NIRC 9 Point Plan. As part of the assessment process, a comprehensive analysis of the issues was undertaken at the macro level against the McKinsey's model of Seven Ss (Strategy, Shared Values, Systems, Style, Structure, Skills, Staff) and at the micro level against the themes of:

1. Governance;
2. Strategic Planning and Regulatory Frameworks;
3. Financial Sustainability; and
4. Systems Capability

The 'evaluation' approach adopted by Grassroots Connections Australia is based on the 'Better Evaluation Framework' under the Global Evaluation Initiative (GEI) – which is a world-wide network of organisations and experts supporting governments with strengthening monitoring, evaluation, and the use of evidence in their countries to ensure programs are aligned with local needs, goals and perspectives.

Impact evaluations, as described in the Grassroots evaluation report "help determine whether a program caused demonstrable effects on specifically defined target outcomes. It Identifies for whom, in what ways and in what circumstances the impacts were achieved".

In order to make their evaluations, Grassroots Connections Australia have gathered both quantitative data from the Council's External Audit Findings quarterly reports, along with qualitative data from interviews with Council's Executive Management through key evaluation questionnaires.

The report has evaluated whether the EAFIP needs to be improved or reoriented, and has stated that there are no major changes required at this stage.

The report makes the following recommendations for what could be continued, discontinued, replicated or scaled up:

1. NIRC continue to invest in its Advisory Committees which are value adding to council's future direction, policy and programs as well as being a conduit to reporting on progress on the EAFIP back to the community.
2. NIRC via the General Manager consider how best to streamline the reporting requirements of the EAFIP to alleviate workload on the Executive Management Team.
3. NIRC continue its implementation of the EAFIP generally with a close focus on the remaining planning and workforce issues, noting that:
 - Action on the updated planning framework has not progressed as envisaged with the dismissal of the elected council in 2021 and the redirected focus on this issue with the change of Australian Government in 2022 and the yet to be completed Parliamentary Joint Standing Committee Inquiry as well as the establishment of the Norfolk Island Governance Committee.
 - The Grassroots Connections Australia external audit report recommended the updating of NIRC's Workforce Plan to include an analysis of current and future resourcing needs as well as an organisation wide skills inventory and training needs analysis. This was seen as informing the need for targeted investment in organisational development programs.
 - These recommendations were against the backdrop of the difficulties faced by all rural and remote councils in Australia in attracting and retaining staff. This is a challenge faced more broadly across both public and private sectors. Developing local expertise to the greatest extent possible in combination with external staff resourcing is necessary to secure the required professional and technical skills needed to manage the complexity and diversity of the roles and responsibilities of local government today. This is particularly so for Norfolk Island given the State Delivery Arrangements and broad functions of NIRC.

- As part of the interview process it was highlighted that NIRC has been criticised for its off island staffing and service support functions in Brisbane. This situation is not unique to NIRC. This is a practice adopted by many rural and remote councils in Queensland and across Australia which have staff working remotely from larger regional centres in shared offices. Indeed, the Torres Strait Island Regional Council serving 17 communities in the Torres Strait between the Australian mainland and Papua New Guinea has its head office in Cairns. In today's employment market it is not possible to attract, retain, adequately house and support all staff and families on location in rural, remote and isolated communities.
4. The Australian Government support the efforts of NIRC to increase its own source revenue raising efforts, noting its revenue ratio does not currently meet the industry benchmark.
 5. The Australian Government acknowledge the inherent disability factors faced by NIRC and support its representations for increased Financial Assistance Grants to provide assurance of consistent financial support long term.
 6. NIRC be provided the opportunity to input into the processes of the Norfolk Island Governance Committee given its current role and responsibilities and the significant infrastructure projects currently underway.
 7. The Australian Government fully engage NIRC in the consideration of the findings of the Parliamentary Joint Standing Committee Inquiry when released acknowledging the significant progress made by NIRC in addressing the challenges identified in the external audit reports and 2021 Public Inquiry.

The External Audit Findings Implementation Program – Interim Impact Evaluation report submitted to this meeting at attachment 1, concludes the following:

- The EAFIP provides focus towards the creation of an effective local government model i.e., firstly addressing the legacy of a backlog of financial, infrastructure and environmental issues to enable systems and processes to be established to operate a more effective model of council.
- NIRC, under Council Administrator Mike Colreavy, General Manager Andrew Roach, Executive Managers and staff are to be commended for the progress made to date on the priority issues of improved working relations with the Australian Government, financial sustainability, infrastructure upgrades and environmental management.
- In addition, significant progress and tangible impacts have been achieved in the development and operation of an effective council which continues to improve its capability and capacity to deliver essential services to the benefit of the Norfolk Island community.

RELEVANCE TO THE STRATEGIC PLAN AND RESOURCING STRATEGY

Strategic Direction 05: An informed and accountable community

Objective 9 – An informed community

Objective 10 – Transparency in decision making

RELEVANCE TO THE EXTERNAL AUDIT FINDINGS (EAFs)

External Audit Findings (EAFs) were adopted by Council on 24 February 2021 (Resolution No. 2021/3); and conclusions that resulted from the 2021 Public Inquiry were received by Council on 21 December 2021 (Resolution 2021/172).

Nil

LEGISLATIVE/POLICY IMPLICATIONS

Nil

LEGAL/RISK IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

BUDGET/FINANCIAL/RESOURCING IMPLICATIONS

Nil

COMMUNICATION/CONSULTATION

Nil

ATTACHMENTS

1. NIRC - Audit Report - Implementation Program Evaluation - FINAL REPORT - 26.10.2023



REPORT

For Norfolk Island Regional Council

EXTERNAL AUDIT FINDINGS IMPLEMENTATION PROGRAM

Interim Impact Evaluation

26th October 2023



GRASSROOTS CONNECTIONS
AUSTRALIA

DOCUMENT CONTROL

Job Name: Norfolk Island Regional Council External Audit Findings Implementation Program – Interim Impact Evaluation

Client: Norfolk Island Regional Council

Client Contact: Kellie Gill, Governance Coordinator – Norfolk Island Regional Council

Project Manager: Greg Hoffman PSM, Grassroots Connections Australia Pty Ltd

Email: greg.hoffman@grassrootsconnections.com.au

Telephone: (07) 3355 5328

“Norfolk Island Regional Council External Audit Findings Implementation Program – Interim Impact Evaluation”

Report prepared by:
Grassroots Connections Australia Pty Ltd and Desiderata Advisory Pty Ltd

Consultants:

Gregory T Hoffman PSM, BBus, BA, GAICD, CPA, FLGMA(Life), JP(Qual)
Managing Director, Grassroots Connections Australia Pty Ltd

Simone Talbot, BEcon, BA, Cert Exec Man, MBAX (Technology)
Director, Desiderata Advisory Pty Ltd. and Consultant to Grassroots Connections Australia

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EXECUTIVE SUMMARY

Norfolk Island Regional Council (NIRC) has been the subject of various reviews and government led inquiries over the last four years – most notably:

- A 2020 external Governance and Financial Audit undertaken by Grassroots Connections Australia;
- A 2020 external Financial Position Audit undertaken by Nexia Australia;
- A 2021 Australian Government Public Inquiry into the Norfolk Island Regional Council which resulted in the elected council being formally dismissed on 6 December 2021 and a Council Administrator appointed for three (3) years to December 2024; and
- A 2023 Parliamentary Joint Standing Committee Inquiry into local governance on Norfolk Island, which is yet to report its findings.

In response, the Council Administrator (Mr Mike Colreavy) and Council General Manager (Mr Andrew Roach) have invested considerable time and effort towards implementing the recommendations of both external audits and more recently the findings of the Public Inquiry.

This program of work, which, for the purposes of this report will be known as the *External Audit Findings Implementation Program* (EAFIP) is being actioned, tracked and reported through the widely used *Envisio* strategy and performance management platform which was formally introduced in Council in April 2022.

Given NIRC has been progressing its EAFIP for two years, it was considered timely to engage an external lens (or critique) of council's approach and performance in actioning its EAFIP.

Consequently, Grassroots Connections Australia Pty Ltd as the lead author of the November 2020 *Independent Governance and Financial Audit of Norfolk Island Regional Council* was engaged to:

1. Evaluate the progress to date of NIRC's EAFIP; and
2. Report on whether the actions undertaken as part of this Program are resulting in improvements to the key challenges as outlined in both external audit reports and the Public Inquiry, and further, how the Program will contribute over the longer term to achieving Council's vision: *Norfolk Island – the Best Small Island in the World*.

To undertake this task, an Interim Impact Assessment framework has been adopted in line with the 'Better Evaluation Framework' under the [Global Evaluation Initiative \(GEI\)](#) – which is a world-wide network of organisations and experts supporting governments with strengthening monitoring, evaluation, and the use of evidence in their countries to ensure programs are aligned with local needs, goals and perspective.

Impact evaluations help determine whether a program caused demonstrable effects on specifically defined target outcomes. It identifies for whom, in what ways and in what circumstances the impacts were achieved. It also seeks to identify unintended impacts (positive and negative) and examines the ways the program contributed to key outcomes, and the influence of other factors.

In effect, this impact evaluation will help inform NIRC's decision making about what to:

- improve?
- re-orient?
- continue?

- discontinue?
- replicate? or
- scale up?

To inform the evaluation, a mix of qualitative and quantitative data was assembled based on:

1. Quantitative data from Council's EAFIP Progress Reports – more specifically focused on the causal attributions of what worked well for items deemed completed and conversely for items deemed not completed.
2. Qualitative data from interviews with council's Executive Management Team through a series of structured key evaluation questions.

In terms of evaluating whether the EAFIP needs to be improved or reoriented, the evidence suggests there is no need for wide ranging change at this point given it is clear NIRC is on a solid pathway to addressing a number of significant legacy issues and lifting performance from a rating of 'poor' to 'fair' and in many instances 'good' – refer to Appendix 1.

In terms of what could be continued, discontinued, replicated or scaled up, the following recommendations are made:

1. NIRC continue to invest in its Advisory Committees which are value adding to council's future direction, policy and programs as well as being a conduit to reporting on progress on the EAFIP back to the community.
2. NIRC via the General Manager consider how best to streamline the reporting requirements of the EAFIP to alleviate workload on the Executive Management Team.
3. NIRC continue its implementation of the EAFIP generally with a close focus on the remaining planning and workforce issues, noting that:

Action on the updated planning framework has not progressed as envisaged with the dismissal of the elected council in 2021 and the redirected focus on this issue with the change of Australian Government in 2022 and the yet to be completed Parliamentary Joint Standing Committee Inquiry as well as the establishment of the Norfolk Island Governance Committee.

The Grassroots Connections Australia external audit report recommended the updating of NIRC's Workforce Plan to include an analysis of current and future resourcing needs as well as an organisation wide skills inventory and training needs analysis. This was seen as informing the need for targeted investment in organisational development programs.

These recommendations were against the backdrop of the difficulties faced by all rural and remote councils in Australia in attracting and retaining staff. This is a challenge faced more broadly across both public and private sectors. Developing local expertise to the greatest extent possible in combination with external staff resourcing is necessary to secure the required professional and technical skills needed to manage the complexity and diversity of the roles and responsibilities of local government today. This is particularly so for Norfolk Island given the State Delivery Arrangements and broad functions of NIRC.

As part of the interview process it was highlighted that NIRC has been criticised for its off island staffing and service support functions in Brisbane. This situation is not unique to NIRC.

This is a practice adopted by many rural and remote councils in Queensland and across Australia which have staff working remotely from larger regional centres in shared offices. Indeed, the Torres Strait Island Regional Council serving 17 communities in the Torres Strait between the Australian mainland and Papua New Guinea has its head office in Cairns.

In today's employment market it is not possible to attract, retain, adequately house and support all staff and families on location in rural, remote and isolated communities.

4. The Australian Government support the efforts of NIRC to increase its own source revenue raising efforts, noting its revenue ratio does not currently meet the industry benchmark.
5. The Australian Government acknowledge the inherent disability factors faced by NIRC and support its representations for increased Financial Assistance Grants to provide assurance of consistent financial support long term.
6. NIRC be provided the opportunity to input into the processes of the Norfolk Island Governance Committee given its current role and responsibilities and the significant infrastructure projects currently underway.
7. The Australian Government fully engage NIRC in the consideration of the findings of the Parliamentary Joint Standing Committee Inquiry when released acknowledging the significant progress made by NIRC in addressing the challenges identified in the external audit reports and 2021 Public Inquiry.

Finally, with respect to answering the broader strategic question about whether the EAFIP is resulting in improvements to the key challenges detailed in both external audit reports and the 2021 Public Inquiry findings, and further, whether the Program will contribute over the longer term to achieving council's vision: *Norfolk Island – the Best Small Island in the World*, it is concluded that:

The EAFIP provides focus towards the creation of an effective local government model i.e., firstly addressing the legacy of a backlog of financial, infrastructure and environmental issues to enable systems and processes to be established to operate a more effective model of council.

NIRC, under Council Administrator Mike Colreavy, General Manager Andrew Roach, Executive Managers and staff are to be commended for the progress made to date on the priority issues of improved working relations with the Australian Government, financial sustainability, infrastructure upgrades and environmental management.

In addition, significant progress and tangible impacts have been achieved in the development and operation of an effective council which continues to improve its capability and capacity to deliver essential services to the benefit of the Norfolk Island community.

1. BACKGROUND

In November 2020, an Independent Governance and Financial Audit of Norfolk Island Regional Council (NIRC) was completed by Grassroots Connections Australia Pty Ltd for the then Commonwealth Department of Infrastructure, Transport, Regional Development and Communications (DITRDC).

A comprehensive analysis of the issues was undertaken at the macro level against the McKinsey's model of Seven Ss (Strategy, Shared Values, Systems, Style, Structure, Skills, Staff) and at the micro level against the themes of:

1. Governance
2. Strategic Planning and Regulatory Frameworks
3. Financial Sustainability
4. Systems Capability

Within these themes, a total of 84 recommendations were made, prioritised and assigned a timeline as summarised in Appendix 1 and Table 1 below:

Table 1: Summary of Audit Recommendations and Associated Timelines

Prioritisation Level	Timeline	No. of Recommendations
Very High	0 – 3 months	8
High	6 – 12 months	40
Medium	12 – 18 months	31
Low	18 – 24 months	5

At the same time and as part of the overall Governance and Financial Audit commissioned by DITRDC, Nexia Australia was commissioned to undertake a financial position and performance report of NIRC's operation from its creation in 2016. This report contained 29 recommendations.

Shortly after these reports were submitted to DITRDC the Norfolk Island elected council was suspended and an Interim Administrator (Mr Mike Colreavy) appointed on 5 February 2021 and a Public Inquiry commissioned by the Federal Government on 10 February 2021. The report of the Public Inquiry was handed down on 4 November 2021 and the elected council was formally dismissed on 6 December 2021 with Mr Colreavy appointed as Administrator for three (3) years to December 2024.

At the NIRC Ordinary Meeting on 24 February 2021 Council, (under Administrator Colreavy) adopted all 113 recommendations made in the external audit reports.

Since that time, the Council Administrator and General Manager (Mr Andrew Roach) have invested considerable time and effort towards implementing the recommendations of both external audits and more recently the findings of the Public Inquiry.

This program of work, which, for the purposes of this report will be known as the *External Audit Findings Implementation Program* (EAFIP) is being actioned, tracked and reported through the widely used *Envisio* strategy and performance management platform which was formally introduced in Council in April 2022.

2. PURPOSE OF EVALUATION

Given NIRC has been progressing its EAFIP for two years, it was considered timely to engage an external lens (or critique) of council's approach and performance in actioning its EAFIP.

Consequently, Grassroots Connections Australia Pty Ltd as the lead author of the November 2020 *Independent Governance and Financial Audit of Norfolk Island Regional Council* was engaged to:

1. Evaluate the progress to date of NIRC's EAFIP; and
2. Report on whether the actions undertaken as part of this Program are resulting in improvements to the key challenges as outlined in both external audit reports and the Public Inquiry recommendations, and further, how the Program will contribute over the longer term to achieving Council's vision: *Norfolk Island – the Best Small Island in the World*.

Noting the scope of work associated with the recommendations of the external audits and the Public Inquiry, this evaluation focuses on those prioritised as 'very high' and 'high' within the Grassroots Connections Australia Pty Ltd Report. That is, those review elements that were originally assessed as having a 'poor' framework and implementation approach – refer to Appendix 1 for further information.

These included:

- Strategic Land Use Planning
- Development Assessment
- Waste Water Management
- Solid Waste Management
- Environmental Management
- Financial Operating Performance
- Asset Management
- Long Term Financial Planning / Sustainability
- Revenue Raising / Capital Funding
- Business Enterprises
- State Disconnect
- Economic Development
- Enterprise Resource Planning

Additionally, this evaluation has also considered the recommendations from the Nexia Australia Report and the Public Inquiry given the EAFIP encompasses these matters - taking the total to some 120 recommendations.

3. EVALUATION METHODOLOGY

The 'evaluation' approach adopted is based on the 'Better Evaluation Framework' under the [Global Evaluation Initiative \(GEI\)](#) – which is a world-wide network of organisations and experts supporting governments with strengthening monitoring, evaluation, and the use of evidence in their countries to ensure programs are aligned with local needs, goals and perspectives.

As an example, the NSW Department of Premier and Cabinet use this model as a basis to monitor and evaluate the outcomes and success of programs across various NSW Government Departments.

Whilst there are several 'evaluation' types that could be applied to the NIRC experience, an 'Interim Impact Evaluation' has been adopted noting Council's EAFIP is still ongoing.

Impact evaluations help determine whether a program caused demonstrable effects on specifically defined target outcomes. It identifies for whom, in what ways and in what circumstances the impacts were achieved. It also seeks to identify unintended impacts (positive and negative) and examines the ways the program contributed to key outcomes, and the influence of other factors.

Further, impact evaluations help inform decision making about what to improve or reorient; what to continue and discontinue; and what to replicate or scale up¹.

To inform the evaluation, a mix of qualitative and quantitative data was assembled based on:

3. Quantitative data from Council's EAFIP Progress Reports – more specifically focused on the causal attributions of what worked well for items deemed completed and conversely for items deemed not completed.
4. Qualitative data from interviews with council's Executive Management Team through a series of structured key evaluation questions organised against the themes of:
 - Contextual;
 - Appropriateness;
 - Effectiveness; and
 - Efficiency.

¹ <https://www.betterevaluation.org/methods-approaches/themes/impact-evaluation>

4. FINDINGS FROM THE DATA

4.1 Quantitative Data

Quantitative data about the EAFIP was sourced directly from the Envisio reporting system which provides quarterly updates on progress against all external audit findings including the Public Inquiry. Quarterly reports were reviewed for the last three quarters, with overall performance from the Envisio system summarised in Table 2 below.

Table 2: Extract from Envisio Performance Dashboard for last three quarters

Reporting Period	Performance Dashboard												
Progress Report (Jan - Mar 2023)	<p>Overall Summary</p> <table> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>● Planning</td> <td>4.17</td> </tr> <tr> <td>● Practically Commenced</td> <td>30.83</td> </tr> <tr> <td>● Not Yet Commenced</td> <td>0.83</td> </tr> <tr> <td>● Upcoming</td> <td>4.17</td> </tr> <tr> <td>● Completed</td> <td>60.0</td> </tr> </tbody> </table>		%	● Planning	4.17	● Practically Commenced	30.83	● Not Yet Commenced	0.83	● Upcoming	4.17	● Completed	60.0
	%												
● Planning	4.17												
● Practically Commenced	30.83												
● Not Yet Commenced	0.83												
● Upcoming	4.17												
● Completed	60.0												
Progress Report (April - June 2023)	<p>Overall Summary</p> <table> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>● Planning</td> <td>2.5</td> </tr> <tr> <td>● Practically Commenced</td> <td>25.83</td> </tr> <tr> <td>● Not Yet Commenced</td> <td>0.83</td> </tr> <tr> <td>● Completed</td> <td>70.83</td> </tr> </tbody> </table>		%	● Planning	2.5	● Practically Commenced	25.83	● Not Yet Commenced	0.83	● Completed	70.83		
	%												
● Planning	2.5												
● Practically Commenced	25.83												
● Not Yet Commenced	0.83												
● Completed	70.83												
Progress Report (July - September 2023)	<p>Overall Summary</p> <table> <thead> <tr> <th></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>● Practically Commenced</td> <td>25.0</td> </tr> <tr> <td>● Completed</td> <td>75.0</td> </tr> </tbody> </table>		%	● Practically Commenced	25.0	● Completed	75.0						
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● Completed	75.0												

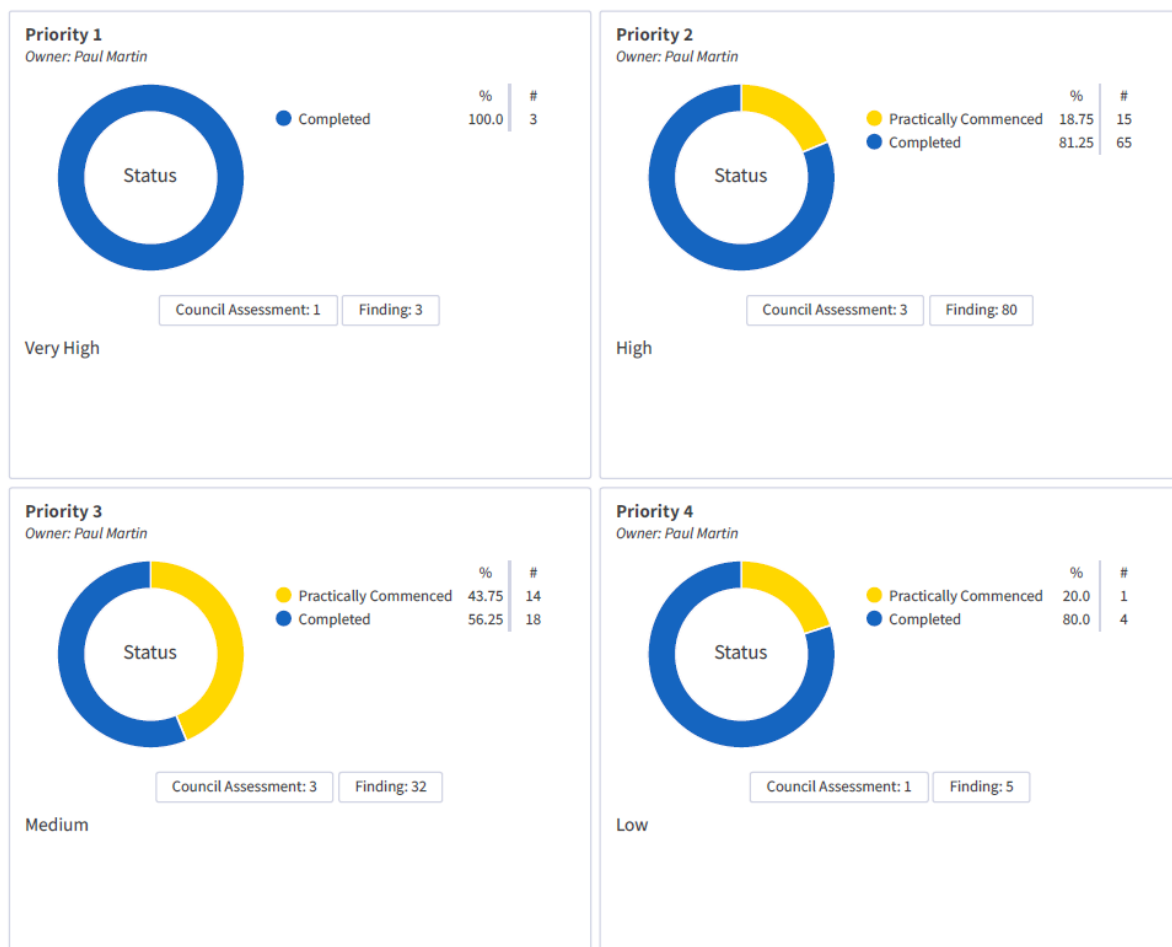
As confirmed through the qualitative interviews, it is evident the Envisio reporting system is very comprehensive. As highlighted in Appendix 2, the system provides for descriptive updates at each quarter for each external audit finding. As a result, the system helps ensure:

- Strategic line of sight between the relevant external audit finding, the council resolution and council budget and resourcing decision / requirement;
- Accountability through clearly identifying the executive team owner as well as requiring evidence of completion;
- Management of risk by identifying and communicating about 'roadblocks' or 'barriers' to implementation; and
- Transparency by providing linked evidence to council meeting minutes or other relevant documents.

In terms of assessing performance, whilst all external audit findings were reviewed, those items categorised as 'very high' or 'high' (from the Grassroots Connections Australia Report) were the subject of most scrutiny. Again, the Envisio system facilitates reporting on items categorised as such as well as by individual owner as illustrated in figure 1 below.

Figure 1: Screen shot of Envisio Dashboard highlighting performance against items categorised as 'Very High', 'High', 'Medium' or 'low' and by Executive Team member (owner)

Plan Summary



The outcome of reviewing the quantitative data (as provided through the Envisio system) points to strong performance in terms of overall implementation and especially for those external audit findings categorised as ‘very high’ and ‘high’.

As evidenced in Table 2, from reporting period January to March and July to September 2023, the rate of items completed has increased by 15 percent. In highlighting this strong performance, it is also necessary to point out that in most instances items marked as ‘completed’ are typically transferred to ‘Business as Usual’ (BAU) and therefore will still continue to be progressed / implemented by the NIRC team.

As emerged through the qualitative interviews (see below), stronger guidelines about ‘how’ and ‘when’ an item should be transferred to BAU would improve consistency of practice across the Executive Management team and circumvent items being prematurely reported as ‘complete’.

4.2 Qualitative Data

Qualitative data about the EAFIP was captured through a series of interview questions with the following individuals:

1. Mr Paul Martin - Manager Corporate & Finance
2. Mr Phil Reid - Manager Planning and Environment
3. Ms Sandy McFeeters - Manager Economic Development
4. Mr Gordon Malesevic - Manager Infrastructure Services
5. Mr Andrew Roach - General Manager
6. Mr Mike Colreavy – Council Administrator

In addition to individual interviews, a group interview was held with several of the above managers to ascertain collective views across Council’s ‘MANEX’ team.

It should be noted that, unfortunately Mr Stewart Todd - Manager Customer Services, was unavailable as part of the interview process.

The information captured is summarised in Table 2 below.

Table 2: Summary of Qualitative Data Findings

Theme	Key Evaluation Question	Findings
Contextual	<ol style="list-style-type: none"> 1. To your understanding – what is the objective of the Council’s EAFIP? 2. How long have you been involved in its implementation and what specific EAF numbers are you responsible for progressing? 	<ul style="list-style-type: none"> • There was general consensus amongst interviewees that Council’s EAFIP provides a ‘blueprint’ to action the recommendations from the external audit reports including the Public Inquiry. • Further to the above, it was also noted that the EAFIP helps fulfil council’s obligations under the NSW legislation, with one interviewee suggesting the Program is “about bullet proofing the governance of the island for what’s next”.

Theme	Key Evaluation Question	Findings
		<ul style="list-style-type: none"> Accountability and transparency were also highlighted as known objectives from using the EAFIP. Most of council's Executive Management team were relatively new in their respective positions – either as brand-new recruits or with a maximum of 2.5 years in their role.
Appropriateness	<ol style="list-style-type: none"> To what extent has the EAF program addressed its objective thus far? How well does the program align with community, council, and Australian government priorities? Is there a common purpose among council staff to implementing the EAF program? If not, why? 	<ul style="list-style-type: none"> Interviewees felt the EAFIP was addressing its objectives, and it was evident that progress was being made in delivering better services to the community as a result. Interviewees agreed that the EAFIP was now embedded as part of 'Business As Usual' (BAU), however, stricter guidance was probably warranted on how to mark an item 'complete' and transfer it to BAU. Interviewees believed the EAFIP was also a useful oversight tool for the Australian Government, which receives regular progress updates (reports) from the Envisio system. From a community perspective – interviewees agreed that attitudes would be mixed about whether the EAFIP is meeting community expectations. As one interviewee indicated, "even when there will be cheaper electricity, better digital connectivity, improved waste management and more regular shipping movements making Norfolk Island more liveable – it is unlikely the community would link these improvements back to councils' progress on actioning the matters in the EAFIP". On the matter of a common purpose, most interviewees agreed this was mixed. Whilst commitment and understanding of the objectives of the EAFIP was strong at the Administrator, CEO and executive management level, beneath that there was a feeling that staff were generally unaware or unable to see a line of sight between the EAFIP and their specific role and duties.

Theme	Key Evaluation Question	Findings
Effectiveness	<ol style="list-style-type: none"> 1. To what extent is the program producing worthwhile results (outputs, outcomes) and/or meeting each of its objectives? 2. Have there been any unintended impacts (either positive or negative) from the EAF program? 3. Have there been or currently are any external factors that are influencing the progress and results of the EAF program thus far? 	<ul style="list-style-type: none"> • All interviewees strongly agreed that the EAFIP is producing worthwhile results with evident improvements in: <ul style="list-style-type: none"> ○ Regularity and safety of sea freight operations due to improved infrastructure and safety procedures for the stevedores. ○ Minimisation of wastewater disposal into the ocean ○ Renewal of licenses for the Liquor bond ○ Improved financial sustainability of the international airport which is now generating revenue for the council. ○ Overall improvements in asset management and infrastructure planning. • As noted earlier – all of these achievements are improving the liveability of Norfolk Island. • As one interviewee summed it up “50 percent of the difficult things have been done or are nearly complete”. • In terms of unintended consequences, given the EAFIP has increased the level of transparency with the community, some cohorts have actively sought to ‘weaponise’ the information to criticise the progress of council. • Conversely the transparency provided through the EAFIP has positively served the purpose of reporting to the Australian Government on the State Delivery Agreements (SDA) and also been useful as part of regular meetings and general dialogue with the Commonwealth. • Likewise, interviewees agreed that council’s Advisory Committees were useful in terms of informing priorities within the EAFIP and also served as a conduit to share and circulate information on progress back through community networks. • With respect to external factors, the current Parliamentary Joint Standing Committee

Theme	Key Evaluation Question	Findings
		<p><i>Inquiry into local governance on Norfolk Island</i> is creating a degree of uncertainty about how its outcomes will impact the EAFIP. Further, the external funding received from the Australian Government to offset the concerns about rate payments is artificially skewing the financial position of Council. Noting financial sustainability is a key priority of the EAFIP, this issue was expressed as a concern from multiple interviewees.</p>
<p>Efficiency</p>	<ol style="list-style-type: none"> 1. Do the outcomes of the program represent value for money in your opinion? 2. To what extent is the relationship between inputs and outputs timely, cost-effective and to expected standards? 3. Are the reporting frameworks attached to the EAF program worthwhile and helpful to you in doing your job? If not, how could this change or what could be implemented in its place? 	<ul style="list-style-type: none"> • Most interviewees grappled with the value for money question, especially with little to compare Norfolk Island's situation to – that is, it delivers many services that most mainstream councils do not (e.g., an international airport, liquor bond and port service). However, noting a key focus of the EAFIP has been to prioritise and address the shortcomings in key infrastructure and service provision, there was general consensus that given the degree of improvement in these services already, it could be argued that the EAFIP represents value for money. • With respect to reporting frameworks, nearly all interviewees suggested the reporting obligations could at times be onerous, especially when they fall due with other broader council reporting requirements. It was suggested that reporting requirements across council be staggered to ease reporting workloads. • With the above noted, all agreed the EAFIP (Envisio) system provided a system, structure and discipline that was no doubt needed given the scope of activities listed in the EAFIP.

5. EVALUATION OUTCOMES

5.1 How well is the EAFIP working?

All Executive Managers are new to NIRC since the 2020 external audit reports, and in their assessment, the EAFIP has provided a ready reference to their roles and responsibilities and progress to date on the implementation of the recommendations and actions allocated to them – especially as part of their commencement in new roles. It is generally seen as a practically focused ‘blueprint’ providing rigour and focus on the significant challenges faced by Norfolk Island and the actions required to effect meaningful and sustainable change.

In addition, it is seen as providing an inbuilt business improvement program as it identifies systems and processes that need to be improved to lay the foundations for longer term organisational and operational effectiveness.

5.2 Is the EAFIP producing the intended outcomes in the short, medium and long-term?

The EAFIP framework provides a direct reference to each of the recommendations or actions identified in the 2020 external audit reports and 2021 Public Inquiry.

An analysis of the Envisio reports identifies significant progress against key issues as follows:

- The Council Advisory Committees have been re-established and Executive Managers report they are working effectively and providing valuable input to policy, project and program development.
- Working arrangements between NIRC and DITRDCA have improved with:
 - The Council Administrator and General Manager meeting monthly with the Island Administrator and the First Assistant Secretary; and
 - SDA meetings are held fortnightly attended by the General Manager and Manager – Corporate and Finance and a departmental Director and Assistant Director. It is noted that management of and reporting on the SDA has transferred from Departmental Norfolk Island based staff to Canberra. This was identified in the Grassroots’ report as a problematic on-island relationship.
- The financial position of NIRC has significantly improved with:
 - Increased assurance of Departmental funding arising from a greater understanding of the NIRC’s financial challenges identified in both 2020 external audit reports.
 - An increase in the annual Financial Assistance Grant.
 - An increase in annual rates and charges to generate additional own source revenues.
 - Airport and Port financial management improvements resulting in a return to a positive financial position.
 - An increase in tourist numbers post pandemic resulting in increased landing fee revenues.

There is notable improvement in council’s audited financial performance ratios². The following ratios all exceed the Office of Local Government industry benchmarks:

- Operating performance ratio
- Unrestricted current ratio

² Forsyths, NIRC Audit Report 2021-22

- Debt service cover ratio (no debt)

Whilst the 'own source operating revenue ratio' has significantly improved to 52.9 percent it is still below the benchmark of 60 percent.

- Project Management arrangements are now in place to avoid the major cost overruns experienced in the 2016-2020 period, with the establishment of Capital Project Control Groups consisting of NIRC, DITRDCA and Project Manager representatives for the following projects:
 - Electricity Upgrade (meeting monthly)
 - Telecom Satellite Upgrade (meeting weekly)
 - Sewerage Treatment Plant Upgrade (meeting monthly)

Responsibility for these utilities is not normally undertaken by local government, however, in rural and remote communities, councils are likely to be the 'provider of last resort' in the absence of commercial operators.

NIRC is to be commended for its actions to upgrade the ageing infrastructure it inherited when established in 2016 and the programs now underway. In particular, the introduction of renewable energy infrastructure i.e., solar and battery technology to limit and potentially replace council's on-grid demand as well as contribute to net zero emission outcomes.

Given past challenges it is also noteworthy that solid waste disposal has ceased at Headstone and that overall waste management practices involving compaction and baling of solid waste and recyclables have progressed but are awaiting a resolution of the logistical and cost challenges of removing them off island. This will remain the case until improved freight, goods handling and related shipping arrangements are effectively and sustainably resolved.

In summary, the current council would appear to be on a solid pathway to addressing a number of significant legacy issues and lifting performance from a rating of 'poor' to 'fair' and in many instances 'good'.

The EAFIP is providing a focused approach towards the creation of an effective local government model by firstly addressing the legacy of a backlog of financial, infrastructure and environmental issues to enable systems and processes to be established to ensure a more effective and sustainable model of local government to be established.

5.3 For whom, in what ways and in what circumstances?

The EAFIP via the Envisio system is providing a single point of truth on progress implementing the recommendations of the external audit reports. As mentioned above, the Executive Managers have acknowledged the value of the system in providing them with clarity as to their responsibilities based on a consistent, organisation wide reporting tool. However, its application and value are much wider as outlined below.

5.3.1 Internal Review

From an internal perspective, the EAFIP provides the General Manager with quarterly progress reports on implementation of each of the 120 objectives. As illustrated in Appendix 2, these reports identify the stage of progress, namely – planning, practically commenced, not yet commenced and completed.

In addition to the current position, they also identify projected activity, anticipated completion date and current or anticipated roadblocks to progress. The reports are also consolidated into individual Executive Manager reports for the objectives for which they are responsible.

These reports enable the General Manager to easily identify areas of progress against targets and the opportunity to discuss with Executive Managers areas of their work needing attention and further support.

Quarterly workshops are attended by the Council Administrator, General Manager and Managers at which updated Envisio reports are reviewed, and overall progress discussed. These workshops provide the Administrator with the opportunity to question the General Manager and Executive Managers and reach agreement on the need for additional resources, extension of anticipated completion dates, or review and modification because of changing external factors.

In mid-October 2022, the Administrator requested that as part of the finalisation process for all completed external audit findings, that links to associated evidence be provided as part of the reporting process and noted in the quarterly update reports to NIRC. These links to the evidence, where deemed appropriate, are to be accessible to the public via the quarterly reporting process and available online.

5.3.2 Public reporting

As indicated above progress reports are presented at quarterly meetings attended by the Council Administrator, General Manager and Executive Managers. The meetings are open to the public, are live streamed and recorded. The reports and recordings are available on the NIRC website.

Outlined in Table 3 below are links to the quarterly reports since the process commenced in 2021.

Table 3: Summary of Public Access to EAFIP Quarterly Reports

Agenda Date	Item No	Report	Location on NIRC Website
7 April 2021	10.1	Forward Program of Council Business Papers Related to Implementation of the External Audit Findings - for the period April 2021 to July 2021	https://www.nirc.gov.au/2021-meetings
7 July 2021	12.5	Scorecard on Implementation of The External Audit Findings as at 30 June 2021	https://www.nirc.gov.au/2021-meetings
6 October 2021	9.3	Scorecard on Implementation of The External Audit Findings as at 30 September 2021	https://www.nirc.gov.au/2021-meetings
21 December 2021	7.2	Report of the Public Inquiry Into The Norfolk Island Regional Council (NIRC) December 2021	https://www.nirc.gov.au/2021-meetings

Agenda Date	Item No	Report	Location on NIRC Website
2 February 2022	10.4	EAF Summary Report to 31 December 2021	https://www.nirc.gov.au/2022-meetings
4 May 2022	10.5	Progress Report on the External Audit Findings (EAFs)	https://www.nirc.gov.au/2022-meetings
7 September 2022	10.1	EAF Summary Report to 30 June 2022	https://www.nirc.gov.au/2022-meetings
3 & 4 October 2022	2 & 3	Council Workshop – External Audit Findings (EAFs)	https://www.nirc.gov.au/2022-meetings
16 November 2022	10.5	External Audit Findings (EAF) Workshop & Progress Report - July to September 2022	https://www.nirc.gov.au/2022-meetings
8 February 2023	12.2	External Audit and Public Enquiry Findings - as at 31 December 2022	https://www.nirc.gov.au/2023-meetings
3 May 2023	12.3	External Audit and Public Inquiry Findings - as at 31 March 2023	https://www.nirc.gov.au/2023-meetings
6 September 2023	12.1	External Audit and Public Inquiry Findings - as at 30 June 2023	https://www.nirc.gov.au/2023-meetings
2 & 3 October 2023	2.1	Council Workshop – External Audit Findings (EAFs)	https://www.nirc.gov.au/2023-meetings
4 October 2023	2.1	Administrator’s Minute - External Audit Findings (EAF) Workshop & Progress Report	https://www.nirc.gov.au/2023-meetings

The links to the EAF Workshop [Report](#) on 2nd and 3rd October 2023 in the [Agenda](#) of the council meeting on 4 October are highlighted to demonstrate the nature of the reporting undertaken. In addition, there are recordings of the proceedings over the two days providing detailed information on the actions completed plus the supporting evidence and those outstanding; and what is required to complete them by the target date in December 2024 coinciding with the end of the period of council administration.

5.3.3 Departmental reporting

As indicated above the Council Administrator and General Manager meet monthly with the Island Administrator and the First Assistant Secretary; and SDA meetings are held fortnightly attended by the General Manager and Manager - Corporate and Finance as well as a Departmental Director and Assistant Director.

The Envisio reporting of the external audit findings is now used as the basis for updating the Australian Government on progress and discussing potential changes to completion timelines, resource requirements and overall operational matters.

The public facing nature of these reports and the evidentiary requirements to support status updates provides assurance as to their accuracy and demonstrates high levels of disclosure and public accountability.

5.4 What unintended outcomes (positive and negative) are being produced?

5.4.1 Reporting fatigue

Given the significant number of external audit findings to progress and regularly report against, qualitative interview outcomes pointed to an increased reporting workload on the Executive Management team. Whilst the need for such reporting was not questioned, it was highlighted in the context of other council reporting requirements and the convergence of reporting timelines.

Hence, a somewhat adverse unintended outcome of the EAFIP has been ‘reporting fatigue’ amongst the Executive Management team and some other staff cohorts. Noting the EAFIP is not due to conclude until the end of 2024, this issue may warrant consideration by NIRC’s General Manager.

5.4.2 Weaponizing data

It is clear that Council Administrator Mike Colreavy and General Manager Andrew Roach have made a concerted effort to ensure the status and progress of the EAFIP is as transparent and public facing as possible. This is evidenced through documentation being available on the council website, through Council Advisory Committees and through dedicated ‘public’ workshops on the EAFIP.

Despite these well-intentioned efforts, as highlighted through the qualitative interviews, some sectors of the Norfolk Island community have sought to use EAFIP data to attack council and spread misinformation across the community.

Unfortunately, this has been a negative unintended outcome of making the EAFIP as transparent as possible.

5.4.3 Long term financial sustainability

Whilst not attributed to the EAFIP, the matter of DITRDCA subsidising (offsetting) increases in rates and waste management charges seems counterproductive to NIRC adopting responsible rating practices in an effort to generate appropriate levels of own source revenue – refer to Appendix 3 for an overview of how these subsidies are impacting council’s rates and charges.

Long term this action could adversely impact the financial sustainability of NIRC if such subsidies are withdrawn by the Australian Government. Noting financial sustainability is a key priority of the EAFIP, it is not clear why the Australian Government has pursued this action, given it also ties the Government to providing the subsidy ongoing or risking community backlash.

5.5 What are the particular features of the EAFIP and context that are making a difference?

Based on review of both the qualitative and quantitative data, it is evident the EAFIP is based on 'SMART' principles – that is, it is Specific, Measurable, Achievable, Relevant and Timely. Further, Executive Management interviewees all agreed that the EAFIP provided a clear line of sight and 'blueprint' between the recommendations in the 2020 external audit reports and their individual Key Performance Indicators (KPIs).

As such, accountability and transparency are clear features of the EAFIP that are helping to make a difference.

In addition to the above, the following frameworks and systems are also worth highlighting as they are important features in supporting the EAFIP's progress.

5.5.1 Council's Advisory Committees

The Grassroots Connections Australia 2020 external audit recommended that NIRC consider re-making its Advisory Committee Structure through the establishment of four Council Committees (Services; Planning and Environment; Finance and Corporate Services; and Economic Development); and that input to these Committees be provided for interest groups and individuals on invitation ensuring the opportunity for community engagement into NIRC's strategic and policy development processes.

Following successive council resolutions, the following Advisory Committees are now in place (refer to Appendix 4 for membership of each and to NIRC's [website](#) for further information on its Advisory Committee framework):

- Business, Innovation and Tourism Advisory Committee (BITAC)
- Reserves and Conservation Advisory Committee (RCAC)
- Sustainability Advisory Committee (SAC)
- Youth Advisory Committee (YAC)

NIRC's advisory committees provide a structure for interested residents and subject matter experts to play an active role in contributing to council policy and direction. Further, the advisory committees provide an important link for Council with the community and are supported via other community consultative methods.

In summary, these committees also contribute to strengthening the accountability and transparency of the EAFIP – especially in relation to genuine community participation about the future direction of Norfolk Island.

5.5.2 Outvye Data and Technology Platform

The 2020 External Audit found that "short term financial performance as well as long term financial sustainability were critical risks for NIRC" and that "information systems capability was weak due to

poor implementation, but there was potential to improve". These challenges were further emphasised in the 2021 *Public Inquiry into Norfolk Regional Council*.

In response, General Manager Andrew Roach, with the support of Australian Government funding has invested considerable time and energy into developing a bespoke data and technology platform 'Outvye' (refer to screen shots below) with the aim of:

- Improving financial reporting and asset management
- Updating asset registers and identification of asset conditions
- Improving the evidence base for credible decision making and strategic priority setting
- Ensuring an integrated financial governance framework through the Long-Term Financial Plan, Asset Management Plan and Council Budget.

In summary, the Outvye platform underscores the financial management and systems outcomes being pursued and is an important, albeit indirect feature of the EAFIP which is making a positive difference.

Figure 2: Screen shots from Outvye system demonstrating improved knowledge of council infrastructure assets

Decision Modelling

Strategic Sandbox

Making Sense of the Data

Outvye® CORR and Outvye® OPEX

Asset Data/Components

Gaining Greater Insight Outvye® PPE Register

Asset Data/Components

Asset Details

Component ID	Name	Category	Status	Asset Class	Asset Class Name	Asset Class Description	Asset Class Category	Asset Class Sub-Category	Asset Class Sub-Description	Asset Class Sub-Category	Asset Class Sub-Description	Asset Class Sub-Category	Asset Class Sub-Description	Asset Class Sub-Category	Asset Class Sub-Description	Asset Class Sub-Category	Asset Class Sub-Description	Asset Class Sub-Category	Asset Class Sub-Description	
1000	1000	Sewerage	Ending	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure	Sewerage Infrastructure

5.6 What influence are other factors having on the EAFIP?

5.6.1 Longevity and experience of senior leaders

A key success factor to the EAFIP can also be attributed to the longevity, leadership experience and financial acumen of both the Council Administrator, Mike Colreavy and General Manager, Andrew Roach.

Between them they possess some 70 years council experience, which has added immense value to not only the development of the EAFIP, but its ongoing implementation and oversight.

Most notably in the case of Andrew his length of tenure as the longest serving General Manager since the council's establishment in 2016 has acted as a consistent and stabilising force especially in light of regular staff turnover both within NIRC and at the Australian Government departmental level.

This fact was sighted on several occasions during the interview process and was widely acknowledged amongst the Executive Management team and other operational staff.

5.6.2 Direction and Focus of the Australian Government

As noted earlier, the change of Federal Government in May 2022 and the subsequent Parliamentary Joint Standing Committee Inquiry, together with the recently established Norfolk Island Governance Committee have created another layer of uncertainty and ambiguity to moving forward with the EAFIP.

Whilst the leadership team have adapted and responded accordingly, these changes have to a certain degree impacted the implementation of the recommendations of the external audit reports and the findings of the Public Inquiry by the deadline of December 2024.

5.6.3 Transition to Net Zero Emissions – adoption of electric vehicles and solar

The external audit reports highlighted the need for NIRC to not only increase its own source revenue levels but also look at ways to reduce its overall cost burden given the breadth of services provided which significantly exceeds the role and responsibilities of mainland councils.

Significant amongst these costs is energy whether by way of diesel to run the Island's power station or petrol for the council's vehicle fleet. Whilst not directly influencing the implementation of the EAFIP, council's move to install solar panels on council buildings and acquire electric vehicles is to be commended not only for its cost saving outcomes but also for setting the Island up for transition to net zero emissions.

6. CONCLUSION AND RECOMMENDATIONS

An impact evaluation provides information about the impacts produced by an intervention – that is, a small project, a large program, a collection of activities or a policy. Impact evaluations are typically undertaken to improve or reorient an intervention or to inform decisions about whether to continue, discontinue, replicate or scale up an intervention³.

Grassroots Connections Australia was engaged by NIRC to undertake an interim impact evaluation of Council's EAFIP to essentially determine if and how well the program is working, noting implementation will be ongoing up until December 2024.

The evaluation commenced by obtaining a full appreciation of the EAFIP reporting system established on the widely used Envisio strategy and performance management platform. Observations about this system include:

- It reports on the implementation of recommendations and findings (120 items in total) contained in the –
 - 2020 Independent External Governance and Financial Audit Report (undertaken by Grassroots Connections Australia)
 - 2020 Nexia Financial Position Report
 - 2021 Australian Government Public Inquiry into the Norfolk Island Regional Council
- It allocates responsibility to Council's General Manager and Executive Managers for the implementation of the recommendations and operational responsibilities providing clarity as to their reporting obligations.
- It is updated on a quarterly basis providing the history of progress from the commencement of the system.
- It includes links to reports and other evidence supporting claims of progress or completion.
- The EAFIP reports (via Envisio) are available to the public on Council's website.
- The EAFIP reports (via Envisio) provide the basis for external reporting to the Minister for Regional Development, Local Government and Territories and the DITRDCA.

The council is to be commended for this comprehensive and consolidated approach to public accountability and transparency and for the rigorous approach to internal accountability and performance management. It clearly allocates to the General Manager and each Executive Manager the recommendations and actions for which they are directly responsible. In so doing the public availability of the EAFIP reports adds an additional layer of disclosure, accountability and transparency; and as a general observation this is well above the level of public reporting undertaken by most councils.

The performance data housed within the Envisio system was also scrutinised highlighting that considerable progress is being made on implementing the 120 recommendations and actions arising from the external audit reports and Public Inquiry findings. The latest EAFIP report (September 2023) indicated 75 percent (90) of the recommendations are 'completed' and 25 percent (30) are 'practically commenced' with these remaining recommendations on track to be completed by December 2024 – the end of the period of Administration. The only exception to this is those recommendations which relate to matters potentially impacted by the current Parliamentary Joint Standing Committee Inquiry.

³ <https://www.betterevaluation.org/methods-approaches/themes/impact-evaluation>

From a qualitative perspective, interviews were undertaken with the General Manager and Executive Managers of Corporate and Finance; Planning and Environment; Economic Development; and Infrastructure Services.

Each were provided with several questions in line with the 'Better Evaluation Framework' organised along the themes of:

- Context
- Appropriateness
- Effectiveness
- Efficiency

From these interviews the following observations are noted:

- All Executive Managers are relatively new to council, with the EAFIP providing them with a ready reference to their roles and responsibilities and progress to date on implementation of the recommendations and allocated actions.
- The EAFIP framework is a practically focused 'blueprint' to address the significant challenges faced by Norfolk Island and the actions required to effect meaningful and sustainable change.
- The quarterly updates of the EAFIP reports presents time challenges but it is a worthwhile exercise and with continued improvements to the system will become easier to undertake.
- The council Advisory Committees have been re-established and Executive Managers report they are working effectively and providing valuable input to policy, project and program development.
- Working arrangements between NIRC and DITRDCA have improved with:
 - The Council Administrator and General Manager meeting monthly with the Island Administrator and the First Assistant Secretary; and
 - SDA meetings are held fortnightly attended by the General Manager and Manager – Corporate and Finance and a Departmental Director and Assistant Director.
- The financial position of NIRC has significantly improved with:
 - Increased assurance of Departmental funding arising from a greater understanding of the NIRC's financial challenges identified in the external audit reports.
 - An increase in the annual Financial Assistance Grant.
 - An increase in annual rates and charges to generate additional own source revenues, noting that DITRDCA is subsidising these increases whilst the Joint Standing Committee conducts its Inquiry.
 - Improvements to airport and port financial management resulting in a return to a positive financial position.
 - An increase in tourist numbers post the COVID pandemic resulting in increased landing fee revenues.
- Project Management arrangements are now in place to avoid the major cost overruns experienced in the 2016-2020 period with the establishment of Capital Project Control Groups consisting of NIRC, DITRDCA and Project Manager representatives for the following projects:
 - Electricity Upgrade (meeting monthly)
 - Telecom Satellite Upgrade (meeting weekly)
 - Sewerage Treatment Plant Upgrade (meeting monthly)

The evaluation also revealed a number of other factors that are materially impacting the progress of the EAFIP. These relate to:

- The combined experience of both the Council Administrator (Mike Colreavy) and General Manager (Andrew Roach). In the case of Andrew, the length of his tenure has provided a consistent and stabilising force to push through with the implementation program despite repeated staff turnover and at times an uncertain operating environment due to the Parliamentary Joint Standing Committee Inquiry; and
- The development of the Outvye platform which has significantly improved the financial governance, asset management and strategic decision-making processes associated with NIRC's infrastructure assets.

In terms of evaluating whether the EAFIP needs to be improved or reoriented, the evidence suggests there is no need for wide ranging change at this point given it is clear NIRC is on a solid pathway to addressing a number of significant legacy issues and lifting performance from a rating of 'poor' to 'fair' and in many instances 'good' – refer to Appendix 1.

In terms of what could be continued, discontinued, replicated or scaled up, the following recommendations are made:

1. NIRC continue to invest in its Advisory Committees which are value adding to council's future direction, policy and programs as well as being a conduit to reporting on progress on the EAFIP back to the community.
2. NIRC via the General Manager consider how best to streamline the reporting requirements of the EAFIP to alleviate workload on the Executive Management Team.
3. NIRC continue its implementation of the EAFIP generally with a close focus on the remaining planning and workforce issues, noting that:

Action on the updated planning framework has not progressed as envisaged with the dismissal of the elected council in 2021 and the redirected focus on this issue with the change of Australian Government in 2022 and the yet to be completed Parliamentary Joint Standing Committee Inquiry as well as the establishment of the Norfolk Island Governance Committee.

The Grassroots Connections Australia external audit report recommended the updating of NIRC's Workforce Plan to include an analysis of current and future resourcing needs as well as an organisation wide skills inventory and training needs analysis. This was seen as informing the need for targeted investment in organisational development programs.

These recommendations were against the backdrop of the difficulties faced by all rural and remote councils in Australia in attracting and retaining staff. This is a challenge faced more broadly across both public and private sectors. Developing local expertise to the greatest extent possible in combination with external staff resourcing is necessary to secure the required professional and technical skills needed to manage the complexity and diversity of the roles and responsibilities of local government today. This is particularly so for Norfolk Island given the State Delivery Arrangements and broad functions of NIRC.

As part of the interview process it was highlighted that NIRC has been criticised for its off island staffing and service support functions in Brisbane. This situation is not unique to NIRC. This is a practice adopted by many rural and remote councils in Queensland and across Australia which have staff working remotely from larger regional centres in shared offices.

Indeed, the Torres Strait Island Regional Council serving 17 communities in the Torres Strait between the Australian mainland and Papua New Guinea has its head office in Cairns.

In today's employment market it is not possible to attract, retain, adequately house and support all staff and families on location in rural, remote and isolated communities.

4. The Australian Government support the efforts of NIRC to increase its own source revenue raising efforts, noting its revenue ratio does not currently meet the industry benchmark.
5. The Australian Government acknowledge the inherent disability factors faced by NIRC and support its representations for increased Financial Assistance Grants to provide assurance of consistent financial support long term.
6. NIRC be provided the opportunity to input into the processes of the Norfolk Island Governance Committee given its current role and responsibilities and the significant infrastructure projects currently underway.
7. The Australian Government fully engage NIRC in the consideration of the findings of the Parliamentary Joint Standing Committee Inquiry when released acknowledging the considerable progress made by NIRC in addressing the challenges identified in the external audit reports and 2021 Public Inquiry.

Finally, with respect to answering the broader strategic question about whether the EAFIP is resulting in improvements to the key challenges detailed in both external audit reports and the 2021 Public Inquiry findings, and further, whether the Program will contribute over the longer term to achieving council's vision: *Norfolk Island – the Best Small Island in the World*, it is concluded that:

The EAFIP provides focus towards the creation of an effective local government model i.e., firstly addressing the legacy of a backlog of financial, infrastructure and environmental issues to enable systems and processes to be established to operate a more effective model of council.

NIRC, under Council Administrator Mike Colreavy, General Manager Andrew Roach, Executive Managers and staff are to be commended for the progress made to date on the priority issues of improved working relations with the Australian Government, financial sustainability, infrastructure upgrades and environmental management.

In addition, significant progress and tangible impacts have been achieved in the development and operation of an effective council which continues to improve its capability and capacity to deliver essential services to the benefit of the Norfolk Island community.

APPENDIX 1: 2020 EXTERNAL AUDIT FINDINGS

BRIEF SUMMARY OF ISSUES AND GENERAL ASSESSMENT



The existing relationship framework between NIRC and the Commonwealth is **WORKING SATISFACTORILY BUT COLLABORATION COULD BE IMPROVED** through greater engagement and shared understanding of the issues being faced

Governance framework **OVERALL IS SOLID** but some aspects of implementation **NEED IMPROVEMENT**



RISK MANAGEMENT across all functions **NEEDS MAJOR IMPROVEMENT**



STRATEGIC PLANNING GENERALLY NEEDS FOCUS AND INTEGRATION – whilst individual strategic plans are high quality the overall vision and **PATHWAYS FORWARD ARE NOT COORDINATED**



DISCONNECT between strategy and operational delivery **NEEDS ATTENTION**



Short term financial performance as well as long term financial sustainability are **CRITICAL RISKS FOR NIRC**



Land use plan **NEEDS MAJOR REVIEW** to improve DA processes



Water security/wastewater management/solid waste management are **SERIOUS PROBLEMS IN NIRC ENVIRONMENTAL MANAGEMENT**

Information systems capability is currently **WEAK DUE TO POOR IMPLEMENTATION** but there is **POTENTIAL TO IMPROVE**



Workforce planning and organisational development is **WELL FOUNDED** but **NEEDS MORE COORDINATED IMPLEMENTATION AND FUNDING**

NIRC EXECUTIVE LEADERSHIP is focused and capable of moving ahead with coordinated strategy and funding certainty



BRIEF SUMMARY OF ISSUES AND GENERAL ASSESSMENT

Good  Fair  Poor 

Review Element	Framework	Implementation	Review Element	Framework	Implementation
Council meeting agenda and reports			Regulation, Registration & Licensing		
Community Engagement Framework			Financial Operating Performance		
Transparency			Asset Management		
Councillor Conduct			Long Term Financial Planning/ Sustainability		
Audit & Risk Management			Revenue Raising / Capital Funding		
Integrated Planning & Reporting			Business Enterprises		
Strategic / Operational Integration			Fire Services		
Policies & Procedures			State Disconnect		
Strategic Land Use Planning			Economic Development		
Development Assessment			Budget Processes		
Waste Water Management			Enterprise Resource Planning		
Solid Waste Management			ICT Systems		
Environmental Management			Workforce Planning		
Pest Management			Organisational Development		
			Service Delivery Agreement Compliance		

APPENDIX 2: EXTRACT FROM ENVISIO SYSTEM

Finding 2.1.1

Ongoing - Jun 30, 2023

Completed

005 - That NIRC consider formalising its Governance Framework in an adopted policy to clarify the roles and responsibilities encompassed in the Framework.

Owner: Paul Martin

GOVERNANCE FRAMEWORK

Grassroots Connections Australia...

9 Point Action Plan

AP9

EAF Completion Evidence

Evidence Link: Test File Upload - Evidence Link

CSP

SD5

EAF Number

5

GM Comments

Agreed.

Key considerations: formalising any governance framework will be dependant on finalising the organisational structure and functions, and be informed by the financial and service delivery model of Council.

Estimated Costs

Internal

Key Focus Area

Governance

Framework

Target Completion Date

30/06/2023

Financing Costs

\$20,000

Transferred to Business as Usual

Transferred to Business as Usual

Resourcing

Peak services Team and additional Contracting

In-House Comments

Compliance calendar has been expanded to incorporate policy objectives to build a skeleton off which the policy can be formed

Q4 update (1 April to 30 June 2023)

Highlights/Accomplishments for the Q4 period:

The framework incorporating Council wide risk management strategy was adopted at the June 2023 OCM.

Roadblocks/Risks:

NIL

Next Steps/Actions:

Transfer to BAU

Evidence of Completion:

Agenda - Ordinary Council Meeting - 7 June 2023

Minutes - Ordinary Council Meeting - 7 June 2023

Q3 update (1 January to 31 March 2023)

The Governance framework has been completed and will be submitted to the May 2023 Audit, Risk, and Improvement Committee (ARIC) meeting for adoption at the June or July 2023 Ordinary Council Meeting.

Q3 update (1 January to 31 March 2023)

The Governance framework has been completed and will go before the May 2023 ARIC meeting for adoption at the June or July Ordinary Council Meeting.

Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):

This work has been commenced by the Manager C&F and the governance staff within Peak Services. A detailed framework policy will be work-shopped with Management during March 2023 with a view to taking the policy to the June 2023 Council meeting.

Q2 Update as at 31 December 2022

This is an update test to include the evidence file... (ATTACHED)

Evidence Link: Test File Upload - Evidence Link Test File Upload - Evidence Link

Progress as at 30 Sept 2022 (1 July to 30 Sept 2022):

This work has been commenced by the Manager C&F and the governance staff within Peak Services. A detailed framework policy will be work-shopped with Management during March 2023 with a view to taking the policy to the June 2023 Council meeting.

Progress as at 30 September 2022

This work has been commenced by the Manager C&F and the governance staff within Peak Services. A detailed framework policy will be work-shopped with Management during March 2023 with a view to taking the policy to the June 2023 Council meeting.

APPENDIX 3: IMPACT OF AUSTRALIAN GOVERNMENT SUBSIDY ON NIRC RATES AND CHARGES

IMPACT OF COMMONWEALTH SUBSIDY ON 2023-24 NORFOLK ISLAND RATES & ANNUAL CHARGES - AVERAGE

AVERAGE COMBINED RATES & WASTE CHARGES PER ASSESSMENT	Number of assessment	Average assess value now	Add value of subsidy	Avg assess if no subsidy	% Impact of the subsidy
RESIDENTIAL					
Small	453	596	248	845	42%
Medium	557	878	347	1,225	40%
Large	512	1,356	525	1,880	39%
Total residential	1522	955	377	1,332	40%
FARMLAND	0				
Small	27	915	284	1,198	31%
Medium	53	1,241	387	1,628	31%
Large	45	2,471	648	3,120	26%
Total farmland	125	4,627	1,319	5,946	29%
BUSINESS					
Accommodation A	54	5,873	924	6,797	16%
Accommodation B	8	8,561	2,150	10,711	25%
Accommodation C	1	14,605	4,483	19,089	31%
Accommodation D	7	12,655	4,015	16,670	32%
Shops / Retail A	21	3,485	1,215	4,700	35%
Shops / Retail B	16	6,171	2,152	8,323	35%
Building supplies	5	4,649	1,622	6,271	35%
Café/Restaurant A	5	2,490	868	3,358	35%
Café/Restaurant B	12	7,180	2,504	9,684	35%
Service station	1	16,497	5,754	22,252	35%
Car rentals	6	4,070	1,419	5,489	35%
Supermarket/Shopping Small	3	4,874	1,700	6,574	35%
Supermarket/Shopping Large	1	18,897	6,591	25,488	35%
Other	75	5,357	1,869	7,226	35%
Total business	215	5,855	1,713	7,568	29%
GRAND TOTAL	1862	1,565	537	2,102	34%

IMPACT IN TOTAL DOLLARS

Total assess value now	Add value of subsidy	Total assess if no subsidy
270,163	112,558	382,721
488,984	193,150	682,134
694,098	268,676	962,774
1,453,245	574,384	2,027,629
24,693	7,661	32,354
65,786	20,514	86,300
111,202	29,180	140,381
578,366	164,905	743,272
317,152	49,907	367,059
68,492	17,197	85,689
14,605	4,483	19,089
88,588	28,102	116,690
73,177	25,524	98,701
98,734	34,438	133,172
23,246	8,108	31,355
12,448	4,342	16,790
86,161	30,053	116,214
16,497	5,754	22,252
24,417	8,517	32,934
14,623	5,100	19,723
18,897	6,591	25,488
401,788	140,143	541,931
1,258,825	368,261	1,627,086
2,913,750	1,000,000	3,913,750

APPENDIX 4: NIRC ADVISORY COMMITTEES



NIRC Committees

Committee Name	Date Formed	Members	Internal /External
Audit, Risk, and Improvement Committee	Ongoing Name changed to ARIC in 2022	<ul style="list-style-type: none"> • Katie Sexton (Chair) • Gary Mottau • Michael Sewell • Paul Martin (Manager Corporate & Finance) • Kellie Gill 	External External External (Staff) External (Staff)
Business Innovation and Tourism Committee	By Council Resolution - 6 October 2021	<ul style="list-style-type: none"> • Bart Murray (Chair) • Dale Parker Anderson (Deputy Chair) • Grant Anderson (Department of Environment) • Andrew Atfield • Wayne Bedford • Madeleine Lawler (CEO Regional Development) • Sarah Freeland (Parks Australia) • Sandy McFeeters (Manager Economic Development) 	External External External External External External (Staff)
Sustainability Advisory Committee	By Council Resolution - 6 October 2021	<ul style="list-style-type: none"> • Rebekah Gupte (Chair) • Natalie Grube • Caryn Harrington • Miles Howe • Kath King • Phil Reid (Manager Planning and Environment) • Tara Patel (Senior Environmental Officer) • Arthur Travalloni (Team Leader Waste and Environment) • Douglas Donaldson (Senior Waste and Environment Officer) 	External External External External External (Staff) External (Staff) External (Staff)
Reserves and Conservation Advisory Committee	By Council Resolution - 6 October 2021	<ul style="list-style-type: none"> • Margaret Christian (Chair) • Nigel Greenup (Deputy Chair) • Grant Anderson • Brendon Christian • George Parsons • Matt Reeves • Phil Reid (Manager Planning and Environment) • Tara Patel (Senior Environmental Officer) • Jodie Brown (Senior Strategic Planner) 	External External External External External External (Staff) External (Staff) External (Staff)
Youth Advisory Committee	By Council Resolution - 6 October 2021	<ul style="list-style-type: none"> • Seeking new Members - to be confirmed • Stewart Todd – Manager Customer Care 	
Road Safety Committee		<ul style="list-style-type: none"> • Mark Watson (Officer in Charge) • Brian James • Kevin Coulter • Gordon Malesevic (Manager Infrastructure Services) • Katie Walden (Registrar of Motor Vehicles) 	External External External External External (Staff)
Ports Management Committee	August 2022	<ul style="list-style-type: none"> • Gordon Malesevic (Chair) (Manager Infrastructure Services) • Peter Smith (WHS Officer) • Millie Walden (Administrative Officer) • Currently Informal, first meeting held 6 July 2023, no constitution or set membership. 	(Staff) (Staff) (Staff)

END OF REPORT

