



MEDIA RELEASE

DRAFT 2023-24 OPERATIONAL PLAN AND BUDGET FOR PUBLIC EXHIBITION AND FEEDBACK

You are invited to provide feedback on Council's Draft 2023-24 Operational Plan and Budget.

The Draft Operational Plan 2023-24 is now presented for public consultation for 7 weeks, with written submissions accepted until **4.00pm on Thursday 1 June 2023**. The community is encouraged to read the plan and Budget and provide a written response submission to Council by email or mail.

Draft 2023-24 Operational Plan and Budget

Norfolk Island Regional Council (Council) and its staff have continued their focus on providing services to the local community, in addition to continuing to respond to the conclusions of the Public Inquiry and implementing the recommendations incorporated in the External Audit Findings during the term of Administration.

The development of the 2023-24 Budget again focusses on ensuring the financial sustainability of Council and to reinforce Council's current stable financial position for the benefit of current and future Norfolk Island communities. This approach ensures that Council complies with the sound financial management principle requirements set out in the *Local Government Act 1993* (NSW) (NI).

I am pleased to present the 2023-24 Operational Plan which provides a forecast operating surplus Budget position of \$500,000, continuing Council's path to ongoing financial sustainability. The Draft Operational Plan has been developed in a challenging economic environment, in particular high current inflation levels reflected in the Retail Price Index (RPI) for Norfolk Island reaching an annualised rate of 11.09% as at December 2022.

Rates and Rating Structure

The Draft 2023-24 Operational Plan also includes the continuation of the rating structure introduced for the 2022-23 financial year which included the expansion of rating categories from 4 overall categories to 23 rating sub-categories. This rating approach continues to support the conclusions of the Public Inquiry process in ensuring that rating levels reflect the revenue needed by Council to deliver services in addition to ensuring the equitable distribution of that revenue requirement across properties on the Island.

For the 2023-24 financial year, Council is proposing to raise \$1.804 million from Ordinary Rates. This represents an increase in revenue of \$179k from the current financial year. Whilst the overall increase in ordinary rates revenue has been set in line with the RPI, the distribution of individual property land valuations issued by the Valuer-General under the Land Valuation Act 2012 (NI) may result in ordinary rate increases above the RPI for those properties that incur significant land valuation increases in 2023-24.

Council will use the revenue collected from ordinary rates in addition to other revenue sources such as fees and sales to deliver the following operational services in 2023-24:

- Roads maintenance and improvements - \$1.5M
- Workshop & Depot - \$0.3M
- Environment, Parks & Reserves - \$0.4M
- Community services including Library - \$0.4M
- Tourism operation & economic development - \$1.5M
- Pest and weed control - \$0.2M

Waste Management

Council also proposes to continue to include the Waste Management Charge across all rate notices for the 2023-24 financial year, which applies a differential charge per property. Council is proposing to raise \$1.11 million from Waste Management charges for the 2023-24 financial year, reflecting an 11% increase in revenue of \$110k from the previous year. Revenue collected will continue to fund the operation of the Waste Management Centre and support Council managing waste on the island in an environmentally responsible manner.

Commercial Business Operations

Council's commercial business operations have again met the requirement to meet cost recovery requirements, with the exception of Waste Management that is forecasting a \$261k operating deficit. A significant improvement in current Airport operations revenue ensures that the business will operate with a surplus for 2023-24, moving out of its current budgeted deficit in 2022-23.

Service Delivery Agreement

The Service Delivery Agreement between Council and the Commonwealth Government will continue for the 2023-24 financial year, with the funding agreement and operations (excluding capital contributions) to deliver \$5.5 million worth of services to the Norfolk Island community.

Capital Projects

The 2023-24 Operational Plan includes \$13 million in capital works to support ongoing service delivery for Council. A snapshot of capital projects includes:

- \$2.5M to develop a linked trail system for walking, mountain biking and adaptive use.
- \$2.0M on road infrastructure replacement.
- \$2.5M for the replacement of airport fencing to meet compliance requirements.
- \$1.4M wastewater design continuation and sewer extensions.

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- \$1.3M to begin the transition of Council’s fleet to electric.
 - \$0.7M in waste management initiatives.
 - \$1.8M to continue the rollout of new electricity meters for dynamic tariffs
 - As yet undetermined sum to enhance the Telecom satellite capacity so as to deliver greater connectivity and reliability to the community, business, health and education.

The required investment in the proposed 2023-24 Budget will again provide the direction to deliver agreed Council outcomes in line with the objectives contained in the Community Strategic Plan (CSP) 2016-2026, the Norfolk Island 9-Point Strategic Action Plan 2020-2024, the External Audit Findings (EAF’s), conclusions of the 2021 Public Inquiry and the Norfolk Island Regional Council Delivery Program 2022-2026.

DRAFT DOCUMENTS AND SUBMISSIONS

The draft 2023-24 Operational Plan and Budget can be accessed on Council’s website at the following link:

<http://www.norfolkisland.gov.nf/your-council/council-documents/documents-public-exhibition>

A hard copy is available for inspection at Council’s Customer Care and the Library.

Written submissions must be received by 4.00 pm on Thursday 1 June 2023 by either of the following methods:

Email: regionalcouncil@nirc.gov.nf
Subject Heading: Draft 2023-24 Operational Plan and Budget

By mail: Draft 2023-24 Operational Plan and Budget
General Manager
PO Box 95
NORFOLK ISLAND 2899

Public Access will be available with the Administrator over two days on Tuesday 27 and Wednesday 28 June 2023, for up to 10 minutes available per person. If you would like to book a session on one of these days, please contact Council by emailing executiveassistant@nirc.gov.nf. The Council Administrator can also be contacted at any other time to discuss concerns, issues or general information through the same contact details.

Philip Reid

ACTING GENERAL MANAGER

13 April 2023