

MEDIA RELEASE

July 11, 2024

FINANCE MATTERS HIGHLIGHTED AT ORDINARY COUNCIL MEETING 10 JULY 2024

2023-24 ANNUAL REPORT ADOPTED

The 2023-24 Annual Report was adopted at Council's 10 July ordinary meeting.

This was the seventh annual report produced for Norfolk Island Regional Council, highlighting challenges and achievements throughout the year, noting progress against the Operational Plan for the same period.

Significant outcomes achieved during this period include:

- major reduction in landfill with the commencement of Revolve Your World at the Waste Management Centre, and the implementation of new equipment such as a shredder, glass crusher and excavator to further improve waste management processes;
- the rollout of the renewable energy program which is reducing the need for the power station diesel generators;
- a partnership with Telstra for the satellite backhaul program;
- our governance program achieved 100% of the external Audit Findings, providing NIRC with a strong platform of system of government for the next model of government to work from.

A second element of the annual report is the inclusion of audited financial statements, which are first referred to Council's auditors and the Audit, Risk and Improvement Committee (ARIC).

ARIC provides independent oversight and monitoring of NIRC's risk management activities, internal controls, governance and audit process and a range of high-level compliance issues, both financial and operational.

The 2024-24 Annual Report will be available for viewing on Council's website at nirc.gov.au/annual-reports.

INVESTMENT REPORT SHOWS HEALTHY BALANCE

NIRC has recorded a total cash balance of just over \$25M at 28 June 2024, as noted in the investment report put to the Council meeting on 10 July 2024.

This amount is comprised of an operating account balance of \$1.8M; deposits at call of \$22M; and funds held in trust of \$1.6M.

Council's unrestricted cash balance of \$7.9M takes into account items such as funds held in trust (for example, Curator of deceased estates funds) and restricted cash, which must be spent on the specific purpose for which the amount was raised, whether in the current or future years.

\$11M in unrestricted cash funds is currently held by Council, and includes Iven "Toon" Buffet Enviro Fund, Bookeasy ticket sales, Siruis Museum, SDA Lighterage, NI Language Trust, employee leave entitlements and 2025 Commonwealth funded priority projects, among others. A full list can be viewed in the agenda packet on Council's website under Meetings.

NEGATIVE FLOW-ON EFFECT OF RATES AND SERVICES DEBT

Council's Finance and Asset Coordinator has reported on the current non-payment of rates and other service fees by a cohort of the community, which will necessitate recovery through a debt collection agency.

Overdue rates are currently sitting at \$970K, spread across a number of years, despite a reduction in total outstanding rates of \$258K since 24 May this year.

Collection of arrears in other areas is also being closely monitored, with \$203K in unpaid electricity accounts and \$231K in unpaid Telecom bills.

These considerable amounts directly contribute to reduced cashflow for the provision of services to the Norfolk Island community and are likely to cause financial issues for the incoming governance body, after the Minister approves and activates the new governance model for the island.

External audit reports from Nexia and Grassroots, and findings of the 2021 Public Inquiry focussed on the need to grow NIRC's cash balances to ensure financial sustainability into the future, and the current figures point to a need to recover outstanding debts now.

The Administrator endorsed the Coordinator's recommendation to undertake debt collection activities over the coming months to reduce the amount of debt arrears.

ENDS

Image caption: *The Norfolk Island Regional Council 2023-24 Annual Report has been adopted and can be viewed online.*