

Norfolk Island Regional Council

Norfolk Island Regional Council Offices

Kingston

Norfolk Island 2899

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Ordinary Council Meeting Wednesday 19 October 2016

Dear Councillor,

Notice is hereby given pursuant to the *NSW Local Government Act 1993* (s367) that an **Ordinary Council Meeting** will be held in the Norfolk Island Regional Council Chambers on **Wednesday 19 October 2016** commencing at **2.00 pm**.

Order of Business

1. Welcome

2. Statement of Respect

The Norfolk Island Regional Council promotes a climate of respect for all. We will endeavour to inspire in our community shared civic pride by valuing and protecting our unique culture and environment, both natural and built, for the current and future generations. We, the elected members and staff of the Norfolk Island Regional Council undertake to act with honesty and integrity, to conduct ourselves in a way that engenders trust and confidence in the decisions we make, and the actions we take on behalf of the Norfolk Island community. We acknowledge the Norfolk Island people, the traditional custodians of this Island

3. Apologies

4. Disclosures of Interest

5. Confirmation of minutes

6. Public Access

7. Mayoral Minute

8. Reports from Committees

9. Reports from Officers

10. Notices of Motion

11. Urgent Business without Notice

12. Confidential Matters for Consideration

13. Questions for the next meeting

Close of Meeting

Lotta Jackson

GENERAL MANAGER

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10. Notices of Motion
11. Urgent Business without Notice
12. Confidential Matters for Consideration

(CONFIDENTIAL ITEM GM 44/16) AUDIT COMMITTEE MEMBERS EXPRESSIONS OF INTEREST

This item is placed within the confidential part of the agenda in accordance with section 10A (2) (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, (d) commercial information of a confidential nature that would, if disclosed: (i) prejudice the commercial position of the person who supplied it, or (ii) confer a commercial advantage on a competitor of the council, or (iii) reveal a trade secret.

(CONFIDENTIAL ITEM: GS 06/16) BUSINESS PLAN - TELECOMMUNICATIONS

This item is placed within the confidential part of the agenda in accordance with section 10A (2) (c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, (d) commercial information of a confidential nature that would, if disclosed: (i) prejudice the commercial position of the person who supplied it, or (ii) confer a commercial advantage on a competitor of the council, or (iii) reveal a trade secret.

13. Questions for the next meeting

Close of meeting

MAYORAL MINUTE:

SUBMISSION MANAGEMENT PLANS FOR COMMONWEALTH MARINE RESERVES

I, Mayor Robin Adams propose to move that Council provides a submission outlining the following:

- (1) Currently Norfolk Island fishers can legally collect (in pots and nets) spanner crabs etc in waters surrounding Norfolk Island up to the limits of the 40nm x 67nm 'box'. Rezoning the majority of 'the box' from MUZ to HPZ will prevent Norfolk Island Fishermen from participating in traditional fishing activities; including using pots and nets to collect crabs outside of the 10 kms x 10km MUZ. We ask that the current traditional fishing activities remain legal in waters surrounding Norfolk Island up to the limits of the 40nm x 67nm 'box'.
- (2) Council is in agreement with the northern part of the reserve maintaining the marine national park zone.
- (3) Council is in agreement with the southern part of the reserve introducing a new marine national park zone which provides protection over the Vening-Meinsez Fracture Zone.
- (4) That the recommendation to rezone a large part of Norfolk Islands 'box' from MUZ to HPZ and to create a small 10km x 10 km MUZ zone around Norfolk Island be amended to be the same size as our current 'box'. For clarity, the recommendation would need to be amended to read - 'Change the MUZ to HPZ except for an area of 40nm X 67nm centred around Norfolk Island'.

BACKGROUND:

Council received correspondence from the acting Director of Marine Protected Area Management North, informing Council of the independent Commonwealth Marine Reserves Review reports from the Expert Scientific Panel and Bioregional Advisory Panels that have been released by the Minister for the Environment and Energy, the Hon Josh Frydenberg MP. The following are parts of what was included in the correspondence from the acting Director:

The Minister has asked the Director of National Parks to commence the process of preparing management plans for Commonwealth marine reserves – including the Norfolk Island Commonwealth marine reserve - in line with the process set out in the Environment Protection and Biodiversity Conservation Act 1999. The Director issued a public notice inviting interested parties to comment on the proposal to prepare draft management plans – a notice was placed in the Norfolk Islander. She is also seeking comments on her proposal to use the recommendations in the independent review as the basis of these plans.

Below is some background information:

Overview

The marine reserve around Norfolk Island was established in November 2012 as part of a network of marine reserves in the Temperate East marine region. An independent review of the zoning and management arrangement for the Temperate East Network (as part of a

larger review) of marine reserves was recently undertaken and the Director of National Parks plans to use the recommendations from the review and comments sent during this first phase of the statutory process to prepare the draft management plan.

Once all the comments from this first phase of consultation have been reviewed we will finalise the Temperate East draft management plan. The draft management plan will be put out for public comment to enable further feedback on the management arrangements before it is presented to the Minister for the Environment for consideration and approval.

Recommended zoning changes:

The independent review has recommended a number of changes to the zoning of the Norfolk marine reserve however these changes are not expected to impact on any commercial, recreational or charter fisheries.

The independent review has recommended that the zoning immediately around the island and out to a 10km square around the island be maintained as a multiple use zone to allow a variety of existing marine uses to continue. This supports a large range of activities to occur including recreational fishing, boating, snorkelling and scuba diving; commercial tourism including charter fishing, and some commercial fishing methods.

Beyond the 10km square multiple use zone, the independent review has recommended that the reserve be zoned habitat protection zone.

In the northern part of the reserve, the review has recommended maintaining the marine national park zone.

In the southern part of the reserve the review has recommended introducing a new marine national park zone which provides protection over the Vening-Meinsez Fracture Zone.

Commercial fishing

The management of commercial fishing in Commonwealth waters is the responsibility of AFMA. The zoning of the reserve is not linked to the MOU box and does not change the shape or size of any MOU area that may be in place for commercial fishing operations.

Commercial fishing in marine reserves (in zones where it is allowed) is provided through the use of class approvals which enables existing authorisations in place (such as commercial fishing licences through AFMA) to occur.

Both multiple use and habitat protection zones in marine reserves support a range of commercial fishing methods.

The recommended zoning of Norfolk marine reserve of multiple use (immediately around the island) and the habitat protection has minimal effect to the majority of commercial fishing operations as both these zones do not stop commercial fishing in the water column. Methods such as bottom trawling would not be allowed.

The deadline for public submissions was originally 11 October 2016, however an extension has now been provided to the 30 October 2016.

Recommended zoning changes:

- 1) The independent review has recommended a number of changes to the zoning of the Norfolk marine reserve however these changes are not expected to impact on any commercial, recreational or charter fisheries.

Response:

Currently Norfolk Island fishers can legally collect (in pots and nets) spanner crabs etc in waters surrounding Norfolk Island up to the limits of the 40nm x 67nm 'box'. Rezoning the majority of 'the box' from MUZ to HPZ will prevent Norfolk Island Fishermen from participating in traditional fishing activities; including using pots and nets to collect crabs outside of the 10 kms x 10km MUZ.

- 2) The independent review has recommended that the zoning immediately around the island and out to a 10km square around the island be maintained as a multiple use zone to allow a variety of existing marine uses to continue. This supports a large range of activities to occur including recreational fishing, boating, snorkelling and scuba diving; commercial tourism including charter fishing, and some commercial fishing methods.

Same response as above point 1.

- 3) Beyond the 10km square multiple use zone, the independent review has recommended that the reserve be zoned habitat protection zone.

Same response as above point 1.

- 4) In the northern part of the reserve, the review has recommended maintaining the marine national park zone.

Agreement with this point.

- 5) In the southern part of the reserve the review has recommended introducing a new marine national park zone which provides protection over the Vening-Meinsez Fracture Zone.

Agreement with this point.

Recommended changes to Commercial fishing

- 6) The management of commercial fishing in Commonwealth waters is the responsibility of AFMA. The zoning of the reserve is not linked to the MOU box and does not change the shape or size of any MOU area that may be in place for commercial fishing operations.

Response

The MOU is a unique management agreement developed between the Norfolk Island Administration, the Department of the Environment, AFMA and the Norfolk Island Community to manage and protect the environment and fishing zone in an area of 40nm x

67nm centred around Norfolk Island. This arrangement was formalized in 1991 and is commonly known by all stakeholders on Norfolk Island as 'the box'. Creating a smaller environmental protection 'box' within the larger Norfolk Island 'box' is, and will continue to, create unnecessary confusion with users of the CMR.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Community Strategic Plan Strategy 1.7 relates to this item: "Keep our waters around Norfolk Island sustainable for the enjoyment of future generations"

(ITEM: GM35/16) OATH OR AFFIRMATION BY COUNCILLORS

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is to inform Councillors of the new requirements under section 233A of the NSW *Local Government Act 1993* (as amended), being that all Councillors must take an Oath of Office or make an Affirmation of Office.

BACKGROUND:

Following recent amendments to the NSW *Local Government Act 1993*, section 233A of the Act reads as follows:

233A Oath and Affirmation for Councillors

- (1) A Councillor must take an Oath of Office or make an Affirmation of Office at or before the first meeting of the Council after the Councillor is elected.
- (2) The oath or affirmation may be taken or made before the General Manager of the Council, an Australian legal practitioner or a Justice of the Peace and is to be in the following form:

Oath

I [**name of councillor**] swear that I will undertake the duties of the office of councillor in the best interests of the people of the **Norfolk Island** area and the **Norfolk Island Regional Council** and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Affirmation

I [**name of councillor**] solemnly and sincerely declare and affirm that I will undertake the duties of the office of councillor in the best interests of the people of the **Norfolk Island** area and the **Norfolk Island Regional Council** and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

- (3) A Councillor who fails, without a reasonable excuse, to take the Oath of Office or make an Affirmation of Office in accordance with this section is not entitled to attend a meeting as a Councillor (other than the first meeting of the Council after the Councillor is elected to the office or a meeting at which the Councillor takes the Oath or makes the Affirmation) until the Councillor has taken the oath or made the affirmation.
- (4) Any absence of a Councillor from an ordinary meeting of the Council that the Councillor is not entitled to attend because of this section is taken to be an absence without prior leave of the Council.

- (5) Failure to take an Oath of Office or make an Affirmation of Office does not affect the validity of anything done by a Councillor in the exercise of the Councillor's functions.
- (6) The General Manager must ensure that a record is to be kept of the taking of an oath or the making of an affirmation (whether in the minutes of the Council meeting or otherwise).

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

This report aligns with the draft Community Strategic Plan's Governance Strategy: An Informed and Accountable Community.

DISCUSSION:

Even though the Regional Council's election was in May 2016, and this is not the first meeting of the Councillors, this is the first Ordinary Council meeting since the amendment was proclaimed and due notice received for Council to consider.

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS: Nil

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

That each Councillor take an oath or affirmation as follows:

Oath

I [**name of councillor**] swear that I will undertake the duties of the office of councillor in the best interests of the people of the **Norfolk Island** area and the **Norfolk Island Regional Council** and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Affirmation

I [**name of councillor**] solemnly and sincerely declare and affirm that I will undertake the duties of the office of councillor in the best interests of the people of the **Norfolk Island** area and the **Norfolk Island Regional Council** and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

(ITEM: GM 36/16) PUBLIC RESERVES ADVISORY COMMITTEE MEMBERSHIP

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt the members for Public Reserves Advisory Committee following the call for expressions of interest in line with the adopted Terms of Reference.

BACKGROUND:

Council resolved at the Council Ordinary Council meeting held on 21 September 2016, to advertise for expressions of interest for membership of the Public Reserves Advisory Committee as per the Terms of Reference (Resolution 61/16).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

All members of Council Advisory Committees must comply with Council's Code of Conduct. For the purpose of Advisory Committees, the NSW Office of Local Government has produced a document titled *Your Obligations as a Council Committee Member* and this document can be seen in Attachment 1. Committee Members on all Council Advisory Committees will be provided with a copy and explanation of this document at the first committee meeting.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Public Reserves Advisory Committee aligns to the Norfolk Island Community Strategic Plan objectives as follows:

- Clause 2.3 states *Protect and preserve environmentally sensitive areas and those of high conservation value, through improved land management and pest control practices.*
- Clause 2.4 states *Support threatened species and minimise the presence of invasive species.*

DISCUSSION:

Council advertised in the local paper, over a two (2) week period, for Expressions of Interest seeking members on Council Advisory Committees. The closing date for Expressions of Interest was Friday 7 October 2016.

Council received the following applications for membership for the Public Reserves Advisory Committee:

One (1) Representative from the Norfolk Island Cattle Association:

Aaron Graham (Vice President) and PJ Wilson (President) as alternate member

Two (2) Representatives from the Tourism industry:

No nominations

One (1) Representative from Norfolk Island National Parks:

Mel Wilson, A/g Park Manager (Craig Doolan, Park Manager)

Two (2) Community Members:

David Dids Evans

Margaret Christian (Norfolk Island Flora and Fauna Society)

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The creation of this Advisory Committee provides a structure to empower the community to provide advice to Council. This committee will promote social cohesion, innovation and creativity, civic pride and sustainability.

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

That Council approves of the following community members to be part of the Public Reserves Advisory Committee:

- 1) Aaron Graham (Vice President) and PJ Wilson (President) as the alternate member, to represent the Norfolk Island Cattle Association
- 2) Mel Wilson, Acting Park Manager or Craig Doolan, Parks Manager to represent the Norfolk Island National Park
- 3) David Dids Evans and Margaret Christian (Norfolk Island Flora and Fauna Society) to represent the Community

Attachment 1: Your Obligations as a Council Committee Member

(ITEM: GM 37/16) ROCK FEED SOURCE ADVISORY COMMITTEE MEMBERS

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt members for the Rock Feed Source Advisory Committee following the call for expressions of interest in line with the adopted Terms of Reference.

BACKGROUND:

Council resolved at the Council Ordinary Council meeting held on 21 September 2016, to advertise for expressions of interest for membership for the Rock Feed Source Advisory Committee as per the Terms of Reference (Resolution 63/16).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Rock Feed Source Advisory Committee aligns to the Norfolk Island Community Strategic Plan objectives as follows:

- Objective 1. (Use and manage our Resources wisely).
- Clause 9.2 states *Timely, open and fair, evidence based decision making with demonstrated accountability.*

DISCUSSION:

Council advertised in the local paper, over a two (2) week period, for Expressions of Interest seeking members on Council Advisory Committees. The closing date for Expressions of Interest was Friday 7 October 2016.

Council received the following applications for membership for the Rock Feed Source Advisory Committee:

Two (2) Representatives from industry bodies

Richard Cottle (letter and CV provided)

Jim Tavener (letter provided)

One (1) Community Member

Dennis Sterling (letter and resume provided)

Stephen Wilson (letter and resume provided)

Seeing that Council received two (2) applications for one (1) position for a community member, staff have analysed their applications and it is recommended that Stephen Wilson, due to his extensive relevant experience, be the community member.

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS:

This committee will promote innovation and creativity, education, wellbeing and health and most importantly, environmental sustainability.

SOCIAL IMPLICATIONS:

The creation of this Rock Feed Source Advisory Committee provides a structure to empower the community to provide advice to Council.

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

That Council approves of the following community members to be part of the Rock Feed Source Advisory Committee:

- 1) Richard Cottle and Jim Tavener to represent the industry
- 2) Stephen Wilson to represent the Community

(ITEM: GM 38/16) TOURISM ADVISORY COMMITTEE MEMBERSHIP

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt members for the Tourism Advisory Committee following the call for expressions of interest in line with the adopted Terms of Reference.

BACKGROUND:

Council resolved at the Council Ordinary Council meeting held on 21 September 2016, to advertise for expressions of interest for membership for the Tourism Advisory Committee as per the Terms of Reference (Resolution 58/16).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Tourism Advisory Committee aligns to the Norfolk Island Community Strategic Plan objectives as follows:

- Objective 6 (Strong, diverse and vibrant business environment)
- Objective 13 (Visitors have a safe experience).

DISCUSSION:

Council advertised in the local paper, over a two (2) week period, for Expressions of Interest seeking members on Council Advisory Committees. The closing date for Expressions of Interest was Friday 7 October 2016.

Council received the following applications for membership for the Tourism Advisory Committee:

One (1) Representative from The Administrator's Office

Richard Hay, Executive Officer – asked to be a non-voting member

One (1) Representative from the Chamber of Commerce

Monica Anderson, secretary

One (1) Representative from the ATA

Rael Donde, (President) and Sue Sills (Vice-President) as the alternate member

Two (2) Representatives from other Tourism Operations

Rebecca Christian, Proprietor of Norfolk Island Travel Centre (no letter or resume)

Lillian Mann, Resort Manager and Events Organiser (letter and resume)

One (1) Community Member

Cherri Buffett (letter and resume)

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The creation of this Tourism Advisory Committee provides a structure to provide advice to Council and support the efforts and direction of tourism on Norfolk Island from the perspective of various stakeholders.

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

That Council approves of the following community members to be part of the Tourism Advisory Committee:

- 1) Richard Hay, Executive Officer (non-voting member by request) to represent The Administrator's Office
- 2) Monica Anderson, to represent the Chamber of Commerce
- 3) Rael Donde, (President) and Sue Sills (Vice-President) as the alternate member to represent the Accommodation and Tourism Association
- 4) Rebecca Christian (Proprietor of Norfolk Island Travel Centre) and Lillian Mann (Resort Manager and Events Organiser) to represent Tourism Operations
- 5) Cherri Buffett to represent the Community

(ITEM: GM 39/16) WASTE MANAGEMENT ADVISORY COMMITTEE MEMBERS

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt members for the Waste Management Advisory Committee following the call for expressions of interest in line with the adopted Terms of Reference.

BACKGROUND:

Council resolved at the Council Ordinary Council meeting held on 21 September 2016, to advertise for expressions of interest for membership for the Waste Management Advisory Committee as per the Terms of Reference (Resolution 59/16).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Waste Management Advisory Committee aligns to the Norfolk Island Community Strategic Plan objectives as follows:

- Objective 1. (Use and manage our Resources wisely).
- Clause 1.3 states *Reduce, reuse and recover waste and end disposal of waste into the sea.*

DISCUSSION:

Council advertised in the local paper, over a two (2) week period, for Expressions of Interest seeking members on Council Advisory Committees. The closing date for Expressions of Interest was Friday 7 October 2016.

Council received the following applications for membership for the Waste Management Advisory Committee:

One (1) Representative from EcoNorfolk

Denise Quintal, Managing Director

Two (2) Representatives from Tourism Accommodation

Rael Donde, President, Accommodation & Tourism Association (ATA) and Sue Sills, Vice-President, ATA

One (1) Chamber of Commerce representative

Mr Rick Kleiner

Two (2) Community Members

Diana Adams (letter provided)
Phil Mc Dowell (letter provided)

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS:

This committee will promote innovation and creativity, education, wellbeing and health and most importantly, environmental sustainability.

SOCIAL IMPLICATIONS:

The creation of this Waste Management Advisory Committee provides a structure to empower the community to provide advice to Council.

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

That Council approves of the following community members to be part of the Waste Management Advisory Committee.

- 1) Denise Quintal to represent EcoNorfolk
- 2) Rael Donde, (President) and Sue Sills (Vice-President) to represent the Accommodation and Tourism Association
- 3) Mr Rick Kleiner to represent the Chamber of Commerce
- 4) Diana Adams and Phil Mc Dowell to represent the Community

(ITEM: GM 41/16) DRAFT DELIVERY PROGRAM 2016-2020

REPORT BY: Sharyn Quintal, Program Manager, Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt the Norfolk Island Regional Council Delivery Program 2016-2020, and for it to be placed on public exhibition for 28 days.

BACKGROUND:

The development and adoption of the Norfolk Island Regional Delivery Program is a legal requirement and it has to be aligned to the strategies and objectives in the Norfolk Island Community Strategic Plan 2016-2026.

The Councillors developed the four (4) year Delivery Program in line with the Community Strategic Plan. The Delivery Program identifies key strategies and outcomes for the term of Council.

Further, a Resourcing Strategy must be developed and adopted by Council by January 2017. The Resourcing Strategy must contain a ten (10) year Long Term Financial Plan, a ten (10) year Asset Management Plan for each category of assets and a four (4) year Workforce Plan to support the Delivery Program.

Each year the Operational Plan including budgets, fees and charges and rates must also be developed in line with the Delivery Program and the Community Strategic Plan.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Delivery Program is the Councillor document as specified in the *NSW (NI) Local Government Act 1993*.

DISCUSSION:

The Delivery Program covers a wide range of targets and the below information details some of the key targets in each strategic direction area.

1. 'An environmentally sustainable community' – includes the minimisation of waste; zero waste disposal into the sea by June 2018; solar battery storage, or an alternative option is installed to capture excess electricity generated by photovoltaics; the moratorium on the installation of new photovoltaic systems is lifted; and all planning instruments maintain existing values of low density and open community spaces.
2. 'A proud, diverse and inclusive community' – includes forming a Heritage and Culture Advisory Committee; the development of a Heritage and Culture Strategy; a Heritage Assets Preservation Policy is developed; and conduct periodic community cultural satisfaction surveys.
3. 'A caring community' – includes Council continually providing relevant and up to date information to the community; develop an Economic Develop Strategy; infrastructure

in place to support tourism; and advocate for Childcare Centres to be able to be accredited on the island.

4. 'A successful and innovative community' – includes investigation into potential cottage industries and processing plants; advocate for access to Federal Government business start-up and development funding; identify and reduce Council 'red tape' barriers; advocate for fibre optic cable connectivity; and secure partnership funding with the Commonwealth for the upgrade of roads infrastructure; and investigate runway reseal including funding partnerships.
5. 'An informed and accountable community' – includes Council meets the requirements, as set by the Commonwealth, for best quality local government administration with 90% of areas reached this term of Council; and have active community participation on Council Advisory Committees.
6. 'A healthy and safe community' – includes develop a plan for safe walking and cycle tracks; develop a youth wellness plan; continued relationship with the Multi-Purpose Service and advocate on behalf of the community where gaps are required; and barriers identified and addressed in relation to investment in the provision of aged care facilities.

GOVERNANCE/POLICY IMPLICATIONS:

Once adopted by Council, the *Norfolk Island Regional Council Delivery Program 2016-2020* becomes a Plan of Council.

LEGAL IMPLICATIONS:

It is a requirement for Council to adopt a Delivery Program under the *Local Government Act 1993*, section 404:

404 Delivery program

- (1) *A council must have a program (its "**delivery program**") detailing the principal activities to be undertaken by the council to implement the strategies established by the community strategic plan within the resources available under the resourcing strategy.*
- (4) *A draft delivery program must be placed on public exhibition for a period of at least 28 days and submissions received by the council must be considered by the council before the delivery program is adopted by the council.*
- (5) *The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months.*

ENVIRONMENTAL IMPLICATIONS:

The Delivery Program will guide the future strategies and actions relating to maintaining and enhancing both the built and natural environment.

SOCIAL IMPLICATIONS:

The Delivery Program will guide the future strategies and actions relating to building and enhancing the social fabric of the community, and provide for services that address the needs of individuals.

FINANCIAL IMPLICATIONS:

The Delivery Program will guide the future budgets and the long term financial plan as to the resources needed to fulfil the aspirations of the community.

CONCLUSION:

The Norfolk Island Regional Council Delivery Program 2016-2020, is now presented to Council for adoption and for it to be placed on public exhibition for 28 days.

RECOMMENDATION:

That Council adopts the Delivery Program 2016-2020, and places it on public exhibition for 28 days, and if no submissions are received, the Delivery Program becomes the adopted Delivery Program for the Norfolk Island Regional Council for 2016-2020.

Attachment 2: Delivery Program 2016-2020

(ITEM: GM 41/16) HERITAGE AND CULTURE ADVISORY COMMITTEE

REPORT BY: Janelle Blucher, Team Leader Heritage Management, Sharyn Quintal, Program Manager

SUMMARY:

The purpose of this report is for Council to appoint a Heritage and Culture Advisory Committee; adopt the Terms of Reference for the Heritage and Culture Advisory Committee and allow the General Manager to advertise for expressions of interest for membership of the Heritage and Culture Advisory Committee.

BACKGROUND:

Council by resolution may establish Advisory Committees which may consist of community representatives in addition to Councillors. (*S355 of the NSW Local Government Act 1993*).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The creation of a Heritage and Culture Advisory Committee aligns with 2.1 and 3.1 of the Norfolk Island Regional Council Operational Plan 2016/17 and further aligns with the strategic direction in the Norfolk Island Community Strategic Plan: *'A proud, diverse and inclusive community – We showcase our unique histories, cultures, customs and people.'*

The Integrated Planning and Reporting Framework for Norfolk Island include the requirement for a 'Heritage and Culture Strategy'. The Heritage and Culture Advisory Committee would play a key role in both liaising with the community and preparing this strategy for Council.

DISCUSSION:

The social and economic value of Norfolk Island's heritage and culture will be recognised and enhanced by the development of a Heritage and Culture Strategy that meets community endorsed goals and standards. To this aim the creation of a Heritage and Culture Advisory Committee will play an active role.

The Heritage and Culture Advisory Committee will be informed by, and respond to, the range of heritage and cultural community values embedding community ownership of the Heritage and Culture Strategy. The Advisory Committee will achieve this aim through a programme of investigation, promotion, discussion and community engagement activities and consultation with local organisations, the KAVHA Advisory Committee, Museums Australia and Aotearoa and National Museum of Australia.

This Committee, will be tasked with encouraging and supporting cultural activities on Norfolk Island. This will be achieved through the promotion of events, supporting the development of creative ideas and facilitating cultural group activities where these are at no cost to Council.

The Norfolk Island Tourism Strategic Plan 2013 – 2023 identifies culture (language, local customs) and history (world heritage, the island story) as key niche markets. The formation of this Advisory Committee will support this Plan.

A KAVHA Heritage Management Plan 2016 key objective is, ‘to ensure that the KAVHA site continues to respect, reflect, celebrate and support the evolving cultural practices and recreational life of the community of Norfolk Island and the wider Australian community’. The formation of this Advisory Committee will support this Plan

The Heritage and Culture Advisory Committee can review the Norfolk Island Cultural Strategic Plan 2014 – 2018 and the identified critical success factors identified. This Plan was tabled in the Norfolk Island Legislative Assembly in March 2014.

The Heritage and Culture Advisory Committee is essential for a focussed and cohesive direction towards developing and supporting a Heritage and Culture Strategy.

GOVERNANCE/POLICY IMPLICATIONS:

Once appointed by Council, the Heritage and Culture Advisory Committee, becomes an Advisory Committee of Council under S355 of the *NSW Local Government Act 1993*.

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The creation of this Advisory Committee provides a structure to empower the community to provide advice to Council as well as reinforcing and promoting the heritage and culture on Norfolk Island. A community owned Heritage and Culture Strategy will promote social cohesion, innovation and creativity, education, wellbeing and health, sustainability, society and social behaviour, these values cannot be understated.

FINANCIAL IMPLICATIONS: Nil

RECOMMENDATION:

- (1) That Council appoints a Heritage and Culture Advisory Committee;
- (2) That Council adopts the Terms of Reference – Heritage and Culture Advisory Committee;
- (3) That Council approves the General Manager to advertise for expressions of interest for membership of the Heritage and Culture Advisory Committee.

Attachment 3: Terms of Reference – Heritage and Culture Advisory Committee

(ITEM: GM 42/16) COUNCIL CLOSURE OVER THE CHRISTMAS PERIOD

REPORT BY: Lotta Jackson, General Manager, Gaye Evans, Executive Assistant

SUMMARY:

The purpose of this report is for Council to consider the closure of Council's offices during the Christmas and the New Year Period.

BACKGROUND:

It is recommended that the Norfolk Island Regional Council is closed from Christmas Day to the first working day in January each year. This is also in line with the Office of the Administrator and other Commonwealth Departments.

Christmas is a time of celebration for many, and employees can help the festivities by planning ahead for holiday requests or managing absences.

The Christmas season has a big impact on most businesses and employees on Norfolk Island. It will be a time when there is likely to be extra demand for products, services and sales in some businesses whilst others may experience a quiet period or may shut for the Christmas holidays.

Many employees will request time off to spend time with their family, go on holiday or attend religious services.

This year, Christmas Day (25 December 2016) falls on a Sunday, boxing day (26 December 2016) falls on a Monday, which means the two public holidays for these days will be 26 and 27 December. The proposed three (3) days closure will enable staff to have time with family over this special time of the year.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

Council has a key role in being a responsible employer.

DISCUSSION:

The proposed arrangements allow Council to have, as far as possible, a Christmas Shutdown for its employees by having skeleton staff over the three working days of the Christmas/New Year period thus allowing essential services to remain open.

Public Holidays over the Christmas period for 2016 were published in the Norfolk Island Government Gazette No. 13 on 20 March 2015 listing:

- Monday 26 December 2016 – Boxing Day
- Tuesday 27 December 2016 (in lieu of Sunday 25 December 2016).

Public Holidays over the Christmas period for 2017 were published in the Norfolk Island Government Gazette No. 29 on 30 June 2016 listing —

- Monday 2 January 2017 New Year's Day (in lieu of Sunday 1 January 2017)

Since 2012 an additional weekday public holiday has been automatically implemented when Christmas Day, Boxing Day or New Year's Day falls on a weekend.

The proposed arrangements allow Council to have, as far as possible, a Christmas Shutdown for its employees by having skeleton staff over the three working days of the Christmas/New Year period thus allowing essential services to remain open.

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The Council Staffing Arrangements over the Christmas Period will assist employees in planning ahead for holiday requests or managing absences and will enable small community groups to implement programs, events and activities.

FINANCIAL IMPLICATIONS:

Staff will be required to take annual leave during the closure of Council for the three (3) days.

CONCLUSION:

In order to facilitate staff to have time with their family over Christmas, which also is a quiet time for Council business, it is recommended that Council is closed for three (3) day between Christmas and New Year.

RECOMMENDATION:

- (1) That Council adopts the closure of Council Offices during the (3) days between Christmas and New year each year;
- (2) That staff be required to take annual leave for the three (3) days during the closure of Council;
- (3) That the General Manager arranges for a Media Release and Gazette notice of the closure period times with reminders to the community.

(ITEM: GM 43/16) SUSTAINABLE ENERGY ADVISORY COMMITTEE

REPORT BY: Lotta Jackson, General Manager

SUMMARY:

The purpose of this report is for Council to adopt the Terms of Reference for the Sustainable Energy Advisory Committee; nominate a Councillor for the Committee and for the General Manager to advertise for expressions of interest for membership of the Sustainable Energy Advisory Committee.

BACKGROUND:

Council resolved at the Council Ordinary meeting held on 21 September 2016 (Resolution 67/16) to establish a Sustainable Energy Advisory Committee.

Council by resolution may establish Advisory Committees which may consist of community representatives in addition to Councillors. (*S355 of the NSW Local Government Act 1993*).

An Advisory Committee with external membership cannot exercise a decision making function and must present recommendations to Council.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Sustainable Energy Advisory Committee aligns to the Norfolk Island Community Strategic Plan objectives as follows: Objective 1. Develop a clean energy future - *Investigate the viability of solar generation and battery storage options and other renewable energy generation sources.*

DISCUSSION:

The management of electricity is an operational function of Council where staff are working in line with plans of management and work schedules to maintain and upkeep the electricity infrastructure.

The Sustainable Energy Advisory Committee will be able to advise Council on the strategic elements of sustainable energy for the Island.

It is recommended that this committee has five (5) members including the Mayor and one (1) Councillor and that it will meet quarterly on the third Friday of the month at 2pm.

The Terms of Reference specifies the purpose of the committee as follows:

- (1) The terms of reference for the Sustainable Energy Advisory Committee are:
 - a) Review past reports on Norfolk Island Electricity;
 - b) Assess the oversupply of photovoltaic electricity;
 - c) Assess the present demand;
 - d) Assess future demand;
 - e) Determine access to supply; and
 - f) Make recommendations to the Norfolk Island Regional Council.

The Terms of Reference includes the role, membership, frequency of meetings and procedural guidelines.

GOVERNANCE/POLICY IMPLICATIONS:

Once adopted by Council, the Terms of Reference for the Sustainable Energy Advisory Committee will be guiding this committee.

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The creation of this Advisory Committee provides a structure to empower the community to provide advice to Council. This committee will promote social cohesion, innovation and creativity, civic pride and sustainability.

FINANCIAL IMPLICATIONS:

Staff time and disbursements.

RECOMMENDATION:

- (1) That Council adopts the Terms of Reference – Sustainable Energy Advisory Committee;
- (2) That Council appoints the Mayor and Councillor Buffett or Councillor to be members of the Sustainable Energy Advisory Committee;
- (3) That Council approves the General Manager to advertise for expressions of interest for membership of the Sustainable Energy Advisory Committee as per the Terms of Reference.

Attachment 4: Terms of Reference – Sustainable Energy Advisory Committee

(ITEM: GC 02/16) PROCUREMENT POLICY

REPORT BY: John van Gaalen, Group Manager Commercial Hub, Shane Nankivell, Finance Manager.

SUMMARY:

The purpose of this report is for Council to consider the adoption of the Draft Procurement Policy.

BACKGROUND:

The Norfolk Island Regional Council, as a new Council is required to have a Policy in relation to procurement that provides a framework for transparent and responsible procurement.

The draft Policy is made under the *Local Government Act 1993*(NSW) –Section 55.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

It is a requirement for Council to have a Procurement Policy and the draft Community Strategic Plan's Governance Strategic Direction 5: An Informed and Accountable Community aligns with this Policy.

DISCUSSION:

The purpose of the policy is to ensure that there is accountability and transparency in the acquisition and use of goods and services.

The policy outlines the guiding principles for Council in its procurement function including purchasing, tendering, contract management and payments relating to the acquisition and use of goods and services.

Associated procedures (Purchasing and Tendering) enable staff to have a clear understanding of the processes needed to be followed, including number of required quotations, ordering protocol, tendering process, contract engagements and financial delegations that identify the thresholds that a position in the organisation may authorise payments for.

GOVERNANCE/POLICY IMPLICATIONS:

The Procurement Policy is written in accordance with Section 55 of the *Local Government Act 1993* (NSW), Part 7 of the Local Government (General) Regulation 2005 (NSW) Councils Code of Conduct and the proposed Statement of Business Ethics.

LEGAL IMPLICATIONS:

The Procurement Policy must be written in line with the requirements of the *Local Government Act 1993* (NSW), and the Local Government (General) Regulation 2005 (NSW). The draft *Procurement* policy is compliant with the Act and Regulations.

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

Successful procurement provides great opportunities to use the community's money wisely, and in a sustainable way.

FINANCIAL IMPLICATIONS:

The procurement function is high risk in terms of corruption and therefore it is subject to tight rules and processes. This policy prescribes economical, efficient and effective procurement.

CONCLUSION:

The *Procurement* policy has been developed to guide staff in purchasing as part of their duties and responsibilities. This policy will ensure there are firm guidelines that staff can follow and that the community can feel assured that Council resources are being utilised appropriately.

RECOMMENDATION:

That Council adopts the Draft Procurement Policy.

Attachment 5: Procurement Policy

(ITEM: GC 03/16) GIFTS AND BENEFITS POLICY

REPORT BY: John Van Gaalen, Group Manager Commercial Hub, Leanne Webb, Manager Customer Care,

SUMMARY:

The purpose of this report is to present to Councillors the Gifts and Benefits Policy for adoption.

The acceptance of gifts or benefits has real and perceived opportunities for undermining integrity. The purpose of this policy is to clearly define the way in which the organisation will manage the offer of gifts and benefits.

BACKGROUND:

The Gifts and Benefits Policy has been developed to ensure that transparency, good governance, and accountability, are practised by Councillors and Council staff when receiving gifts and benefits in the course of their duties.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

This policy builds on Section 5 (Personal Benefit) of the Norfolk Island Regional Council Model Code of Conduct.

DISCUSSION:

The Gifts and Benefits Policy sets out the way in which the Norfolk Island Regional Council will manage offers of gifts or benefits in accordance with the obligations set out in Norfolk Island Regional Councils Model Code of Conduct (Section 5).

GOVERNANCE/POLICY IMPLICATIONS:

This is a new policy which compliments Section 5 of the adopted Norfolk Island Regional Council Model Code of Conduct.

If adopted, this policy should be applied to employees of the organisation under employment legislation relevant to Norfolk Island.

LEGAL IMPLICATIONS:

The application of this policy is designed to reduce organisational risk by minimising the likelihood of corrupt conduct by a Council Official which may require investigation and the bringing of criminal charges.

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

There is a risk of damage to Councils reputation or image should a Councillor or member of staff be accused of providing preferential treatment and/or bias, or acting in a manner that could be considered a conflict of interest. The application of this policy aims to reduce this risk and discourage the setting of precedents within the organisation.

FINANCIAL IMPLICATIONS:

The introduction and maintenance of this policy, as well as the monitoring of a Gifts and Benefits Register is designed to reduce the financial risk that the organisation is exposed to if an investigation were to occur in the form of the cost of legal fees should disciplinary action or criminal charges be laid.

CONCLUSION:

The intent of the Gifts and Benefits Policy is to add strength to the Norfolk Island Regional Council Model Code of Conduct (Section 5) and provide direction to Councillors and Council staff in circumstances where they may be presented with a gift or benefit in the course of their day to day duties.

The adoption, implementation and monitoring of this Policy reduces the financial and reputational risk to Council by clearly defining the way in which the offer of gifts and benefits is managed.

RECOMMENDATION:

That Council adopts the Gifts and Benefits Policy.

Attachment 6: Gifts and Benefits Policy

(ITEM: GC 04/16) NORFOLK ISLAND REGIONAL COUNCIL 2016/17 RATING MODEL CORRECTION

REPORT BY: John Van Gaalen, Group Manager Commercial Hub

SUMMARY:

The purpose of this report is for Council to note and adopt the necessary corrections to the 2016/17 Rating Model.

BACKGROUND:

Council adopted the Operational Plan for 2016/17 at an extraordinary meeting on Wednesday 28 September 2016. Included in the Operational Plan, under the Revenue Policy was the Rating Model. Administrative errors were identified within this model, details of which are now provided to the Council for their information.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The *Rating Model* is included in the Revenue Policy within the Operational Plan 2016/17 and aligns with the Community Strategic Plan's Governance Strategy: An Informed and Accountable Community.

DISCUSSION:

The 2016/17 Rating Model, as adopted contained some administrative errors.

They were:

1. Reclassification errors due to a review of the definitions for residential and farmland. A number of assessments allocated to Farmland previously should have been recognised under Residential. Clause 516 of 'The Act' refers below:

Local Government Act 1993 No 30 [NSW]

Chapter 15 How are councils financed?

516 Categorisation as residential

- (1) *Land is to be categorised as **residential** if it is a parcel of rateable land valued as one assessment and:*
 - (a) *its dominant use is for residential accommodation (otherwise than as a hotel, motel, guest-house, backpacker hostel or nursing home or any other form of residential accommodation (not being a boarding house or a lodging house) prescribed by the regulations), or*
 - (b) *in the case of vacant land, it is zoned or otherwise designated for use under an environmental planning instrument (with or without development consent) for residential purposes, or*
 - (c) *it is rural residential land.*
2. Duplication of area sizes for Business – Commercial/ Industrial – incorrectly showing categories of 'less than 0.1Ha' and another category of '0.05Ha – 0.099Ha'.
3. 2 items omitted

- a. Business – Commercial/ Industrial 21.0Ha+ - being the airport which needs to be recognised within the rating structure to ensure full disclosure and costings.
- b. Business – Commercial/Industrial 5.0Ha – 20.0Ha – left out of the model.

The rating structure could not be implemented as it was adopted, and the administrative errors have now been corrected, resulting in a slight variation to the adopted model.

GOVERNANCE/POLICY IMPLICATIONS:

Once approved by Council, the *2016/17 Rating Model* is included in the 2016/17 Operational Plan.

LEGAL IMPLICATIONS:

Council is required to adopt the Operational Plan 2016/17 in full (including fees and charges, rating structure, budget and activities). The actual rate charges have not changed from the original model as put on public exhibition. Therefore there will be no impact on our requirement to fulfil our legal obligation.

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS: Nil

FINANCIAL IMPLICATIONS:

Council's correction of this model demonstrates its strong commitment to improved financial performance and sustainability.

RECOMMENDATION:

That Council notes and adopts the corrected Rating Model below supersedes the Rating Model approved by Council on 28/09/2016.

NORFOLK ISLAND REGIONAL COUNCIL: 2016/17 Rating Model - as corrected

Category	Sub-Category	YEAR 1- Levy per property raising \$500,000	No. of Assessments	Rates raised per Category
Residential	less than 0.05 Ha	\$135.00	30	\$4,050
Residential	0.05Ha - 0.099Ha	\$255.00	98	\$24,990
Residential	0.1Ha - 0.499Ha	\$270.00	565	\$152,550
Residential	0.5Ha - 0.99Ha	\$290.00	296	\$85,840
Residential	1.0Ha - 4.99Ha	\$310.00	460	\$142,600
Residential	5.0Ha -20.0Ha	\$320.00	46	\$14,720
Farmland	1 portion	\$240.00	111	\$26,640
Business - Commercial/ Industrial	less than 0.1 Ha	\$320.00	83	\$26,560
Business - Commercial/ Industrial	0.1Ha - 0.499Ha	\$580.00	56	\$32,480
Business - Commercial/ Industrial	0.5Ha - 0.99Ha	\$845.00	15	\$12,675
Business - Commercial/ Industrial	1.0Ha - 4.99Ha	\$1,105.00	9	\$9,945
Business - Commercial/ Industrial	5.0ha – 20.0ha	\$1,365.00	5	\$6,825
Business – Commercial / Industrial	21.0Ha +	\$1,625.00	1	\$1,625
Business - Tourist Accommodation	1 unit	\$320.00	24	\$7,680
Business - Tourist Accommodation	2 units	\$550.00	4	\$2,200
Business - Tourist Accommodation	3 units	\$745.00	5	\$3,725
Business - Tourist Accommodation	4 units	\$895.00	2	\$1,790
Business - Tourist Accommodation	5 units	\$1,025.00	10	\$10,250
Business - Tourist Accommodation	6-10 units	\$1,275.00	16	\$20,400
Business - Tourist Accommodation	11-20 units	\$1,615.00	7	\$11,305
Business - Tourist Accommodation	21 - 50 units	\$1,975.00	3	\$5,925
Business - Tourist Accommodation	51+ units	\$2,315.00	2	\$4,630
Business – Not For Profit	Non-Liquor	\$100.00	7	\$700
Business – Not For Profit	Liquor	\$350.00	7	\$2,450
Total			1862	\$612,555

(ITEM: GC 05/16) STATEMENT OF BUSINESS ETHICS

REPORT BY: John van Gaalen, Group Manager Commercial Hub, Shane Nankivell, Manager Finance

SUMMARY:

The purpose of this report is for Council to adopt the Statement of Business Ethics which will apply when conducting business with the private sector.

BACKGROUND:

The Norfolk Island Regional Council has many dealings with the private sector through the procurement of goods and/or services. It is necessary that all transactions that take place between the Council and the private sector are unbiased, fair, without any conflicts of interest whether real or perceived and transparent. This ensures that any business dealings that take place can withstand any scrutiny and probity.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The Statement of Business Ethics is a key document that helps to achieve the Community Strategic Plan's Governance Strategic Direction 5: An Informed and Accountable Community.

DISCUSSION:

The Statement of Business Ethics provides a set of expectations that can be relied upon when conducting business with Council, and also provides a set of requirements that Council expects from an entity in the private sector. These expectations and requirements are important as they create an ethical standard that the community can rely upon when Council is conducting its business.

It is imperative that all dealings between a government entity and the private sector are able to withstand any scrutiny and the community must be assured that the Council's money is expensed in a way that is honest, fair and ethical.

There must be no risks whether real or perceived of any unethical, illegal or corrupt nature. The Statement of Business Ethics also provides details so that anyone can report any suspected unethical, corrupt or illegal dealings to the General Manager for investigation, and therefore maintaining the integrity of the Council.

GOVERNANCE/POLICY IMPLICATIONS:

The Statement of Business ethics in conjunction with the procurement policy and procedures provides a sound governing framework in relation to the procurement of goods or services.

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS:

The Statement of Business Ethics informs the community of how Council will operate in all business dealings it has, and will allow the community to build trust in the Council through the application of these ethical business practices.

FINANCIAL IMPLICATIONS:

The procurement function is high risk in terms of corruption and abuse therefore it is subject to tight rules and processes. The Statement of Business Ethics in conjunction with the Procurement Policy and procedures provides these rules and processes and the consequences for not complying with the policy or procedures.

CONCLUSION:

The Statement of Business Ethics is an important document that further highlights Council's commitment to open, fair and transparent procurement. It also sets a high ethical standard that the private sector will be required to operate at if it wishes to continue its business dealings with Council, and it also sets a standard so that the community can be assured that public monies are spent in an honest and responsible manner.

RECOMMENDATION:

That the Statement of Business Ethics be adopted by Council.

Attachment 7: Statement of Business Ethics

(ITEM: GC 06/16) INVESTMENTS REPORT

REPORT BY: John Van Gaalen, Group Manager Commercial Hub, Shane Nankivell, Manager Finance

SUMMARY:

The purpose of this report is to report to Council the balance of investments held as at 30th September 2016.

BACKGROUND:

The Local Government (General) Regulation 2005 (Part 9, Division 5, Clause 212) requires the Responsible Accounting Officer of a Council to provide a written report setting out details of all monies that have been invested under Section 625 (2) of the *Local Government Act 1993* (NSW), as per Amended Investment Order gazetted 11 March 2011.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND RESOURCING STRATEGY:

The *Investments Report* aligns with the Community Strategic Plan's Governance Strategy: An Informed and Accountable Community.

DISCUSSION:

Included in this report are the following items that highlight Council's investment portfolio and an update of the investment environment:

- a) Council's Investments as at 30th September 2016;
- b) Investment Portfolio Performance; and
- c) Investment Commentary.

a) Council's investments as at 30th September 2016

Investments as at 30th September 2016

Term Deposits

Financial Institute	Purchase Value \$	Credit Rating	Date Invested	Maturity Date	% yield	Market Value \$
Commonwealth Bank	4,000,000	AA-	12/07/2016	12/10/2016	2.83%	4,025,182
Commonwealth Bank	1,000,000	AA-	12/08/2016	12/11/2016	2.30%	1,003,181
Commonwealth Bank	2,000,000	AA-	12/09/2016	12/11/2016	2.25%	2,002,342
Total Term Deposits						\$ 7,030,705

At Call Deposits

Financial Institute	Credit rating	Maturity Date	% yield	Market Value \$
Commonwealth Cheque Account	AA-	At call	0.10%	489,017
Commonwealth Online Saver	AA-	At call	1.10%	3,808,455
Total At Call Deposits				\$ 4,297,472

TOTAL MARKET VALUE	\$ 11,328,177
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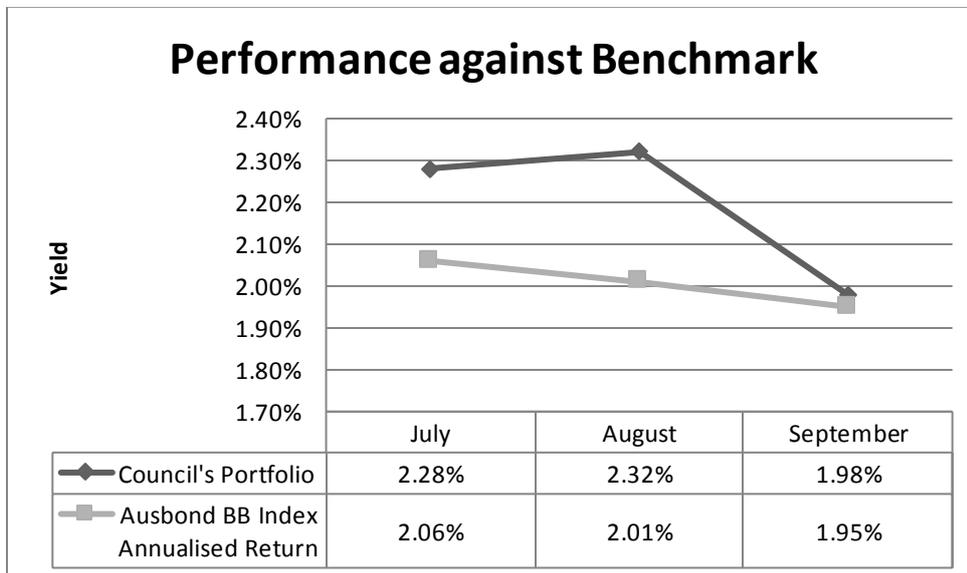
% Invested in each Institution



b) Investment Portfolio Performance

<u>Cash & Cash on call</u>	<u>Face Value \$</u>	<u>Current Yield</u>
Cash	489,017	0.10%
Online Saver	3,808,455	1.10%
Total	4,297,472	0.99%

<u>Term Deposits</u>	<u>Face Value \$</u>	<u>Current Yield</u>
Commonwealth Bank	4,000,000	2.83%
Commonwealth Bank	1,000,000	2.30%
Commonwealth Bank	2,000,000	2.25%
Total	7,000,000	2.59%



c) Investment Commentary

The investment portfolio has outperformed the benchmark of the Ausbond BB Index for the month of September. The Ausbond BB Index is a bank bill bond that produces publicly available information highlighting the annualised percentage return for an investment in that investment vehicle. The Ausbond BB index is used as a benchmark for Council's investments as it adheres to the same investing philosophy of the Council, which is low risk and relatively low return with the main focus being on capital protection. The benchmark also drives Council to focus on maximising the performance of its investments for the benefit of the community.

The reduction in Council's portfolio performance compared to the previous months is due to an increase in cash at call as compared to investments. These funds are required in cash at call to pay for some significant upcoming invoices such as the recent fuel delivery.

Although Council has a cash and investment position of \$11,297,472 as at 30th September 2016, not all of these funds are available to Council. There will be restrictions placed on certain monies that must be used for a specific purpose, currently these restrictions are not clear and are being identified concurrently with both the 2015-16 financial statement preparation and the September quarterly budget review process.

Furthermore, Council already received in full its financial assistance grant for the financial year inflating Council's current cash position. It is anticipated that once all restrictions are identified, and the committed cash for the current year budget is taken into account, there would be minimal funds for use on projects or infrastructure that is outside of what is currently budgeted.

During the September board meeting the Reserve Bank of Australia (RBA) left the official cash rate unchanged at 1.50%. The RBA based their decision on continued lower than average global growth, the moderating of the Chinese economy and continued low inflation for Australia.

GOVERNANCE/POLICY IMPLICATIONS: Nil

LEGAL IMPLICATIONS: Nil

ENVIRONMENTAL IMPLICATIONS: Nil

SOCIAL IMPLICATIONS: Nil

FINANCIAL IMPLICATIONS:

Interest accrued on investments during the September month was \$18,261 and compares favourably to the monthly budgeted amount of \$16,667. However, a reduction in interest rates received for term deposits may indicate a potential shortfall in forthcoming months.

RECOMMENDATION:

That the Investments Report be received and noted.