



# Norfolk Island Chamber of Commerce, Inc.

18 July 2017

Ms Robin Adams  
Mayor  
Norfolk Island Regional Council  
Bicentennial Complex  
Norfolk Island 2899

E: mayor@nirc.gov.nf

## Ordinary Council Meeting Agenda 19 July 2017 Item 12.1: Electricity Budget 2017 – 2018

Dear Mayor,

The Norfolk Island Chamber of Commerce, Inc has discussed the paper presented by the Group Services Manager for tomorrow's meeting and raises the following objections for Council's consideration before a decision is taken:

1. Under the subtitle **Relevance to the Strategic Plan Resourcing Strategy**, the only reference made is to Direction 5: An informed and accountable community. However the following have been ignored -
  - Direction 1: An environmentally sustainable community including 1.1 Develop a clean energy future; and
  - Direction 4: A successful and innovative community including 6.3 Reduction in business costs – greater efficiencies in business costs; noting this is an adopted outcome within the current financial year under the Delivery Program.

The proposed increases are contrary to these adopted directions and therefore cannot be responsibly supported.

2. Under the subtitle **Budget**, reference is made to a developed pricing methodology based on Council's aim of having business units financially sustainable in the next two (2) years.

The Chamber requests the following details -

- Where has Council publicly identified and adopted the **2 year aim of financial sustainability**;

- What are the **Allocated Overheads** of \$578,000 for and reasons why this amount cannot be reduced to offset the reported business unit deficit of **\$407,200**;
- What assessment has been undertaken on the impact to business and households of Council implementing these increases in addition to multiple other business and household charges;
- What efficiencies have been achieved to improve the service model and justify a higher tariff;
- Why has the increase over 2 years been costed for 75% recovery in the 1<sup>st</sup> year and 25% in the 2<sup>nd</sup> instead of 2 even increases;
- What is the fall back position in the event that people reduce their energy use to avoid the increase in their quarterly bill – will that scenario result in a proposed unit price of over \$0.70 this time next year; as is Council’s suggestion in **Options** (refer: Option 3).

The Chamber questions whether the increases can be justified on the figures provided.

It is noted that Council’s recommendation includes a public exhibition period of 28 days and in the event the increases are supported the Chamber requests earliest responses to all questions raised in this letter to inform our members.

The Chamber questions the integrity of Council raising their charges without any impact assessment and at the same time as Economic Development consultants have been announced (refer: Item 9.2 Economic Development – Appointment) to address growth and investment of the local economy. The Chamber will meet with consultants in the next fortnight where electricity, including standards, will be discussed and a utility pricing regulator will be recommended by our Committee.

Norfolk Island Chamber of Commerce Committee

CC via Email:

Senator the Hon. Fiona Nash, and  
Cr Rob Buffett, Cr John McCoy, Cr Dave Porter, and Cr Lisle Snell of the Norfolk Island Regional Council