

# **SUBMISSION**

to

**Joint Standing Committee**

on the

**National Capital and External Territories**

for

**INQUIRY INTO LOCAL GOVERNANCE**

on

**NORFOLK ISLAND**

by

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**24 March 2023**



## Executive Summary

Norfolk Island is unique in terms of size, remoteness and living culture having its own history, customs and language.

The right governance solution for Norfolk Island is for the Island to be shaped by the democratic wishes of Norfolk Islanders.

The former Norfolk Island Legislative Assembly successfully managed Norfolk Island.



The wheels of democracy have fallen off at Norfolk Is.

The Norfolk Island Legislative Assembly could not alone withstand the shock of the GFC or other future global crises without a partnering relationship with the Commonwealth, including financial backing for major projects and debt funding if and when required.

The Commonwealth made a mistake in abolishing the Norfolk Island Legislative Assembly in 2015 on recommendations from the 2014 Joint Standing Committee which has led to poor quality decisions being made to Norfolk from Canberra.

The Commonwealth can now right the past wrong by reversing that decision and reinstate the Norfolk Island Legislative Assembly supported by a partnering relationship with the Commonwealth.

This will see democracy reinstated on Norfolk Island, a good outcome both for Norfolk Island and for Australia.

## Introduction

Norfolk Island is unique in terms of size, remoteness, and living culture having its own history, customs and language. Norfolk Island is an anomaly in terms of Australian local governance. It celebrates Bounty Day to recognise its Bounty/Pitcairn heritage and Thanksgiving given the number of American whalers who settled there in the late 1800s and early 1900s.

Despite its uniqueness, which calls for unique solutions, in 2015 following a 2014 Joint Standing Committee (JSC) review, Australia largely applied the Australian standard, narrow local government model to Norfolk.

The current Australian governance model has been largely shaped by microeconomic and managerial reforms of the 1990s focusing on efficiency values, and not on local and democratic values.

As Tom Calma, Chair of the Committee leading the Aboriginal and Torres Strait Islander Close the Gap Steering Committee has said: 'Respect us and invest in what actually works in our communities'. That is precisely the mindset needed to reinstate democracy and local values on Norfolk Island.

Norfolk Island was successfully self-governed from 1979 by its own democratically elected Legislative Assembly, and run as a lean administration by local Islanders. Tourism and stamps were the main sources of revenue. There was no income tax but there was 12% GST, import duty, fuel duty, a medical levy and revenue from telephony and broadband services. Expenses were focused on what the Island community needed and were delivered to an appropriate standard for a small, remote community, which worked well for residents and tourists alike. There was no land tax. There was sufficient funding for the Island hospital enabling people to be born and to die on island, organise visiting specialists and provide health insurance for those needing to go off Island; the school including introducing lessons in the local Norf'k language and seconding teachers from NSW; the historic Kingston precinct and indeed



A hat made on Norfolk Island.

This is not a slouch hat or a cork hat or a bucket hat or any other sort of hat made in Australia.

achieving World Heritage listing; making Norf'k an official island language (Norf'k is deemed vulnerable by UNESCO even though 30% of households on Norfolk stated they speak Norf'k at home and 40% of Islanders identified as Norfolk/Pitcairn in the 2021 census); designing and deploying the Norfolk Island flag; conducting tourism promotions; maintaining all of the Island's 170km of roads; the airport; fire services; running liquor sales; engaging frequent sea and air freight services to ensure adequate supplies on the Island; seconding a small local police presence from NSW (not that much is needed where nobody feels the need to lock their homes or cars); managing immigration and biosecurity; managing pasturage; constructing and operating electricity generation; establishing electricity reticulation; building and operating fixed broadband and telephony; selling stamps and managing the post; building and operating a mobile phone network; running Radio Norfolk and Norfolk TV with local and Australian channels; and managing waste and recycling. The success of the Norfolk Island Legislative Assembly during this period was despite the lack of a supportive relationship with the Australian Government.

Norfolk's already complex situation having to operate so many functions and being so remote became even more complicated when the Island got into \$7M of debt during the GFC. Unlike most other governments who got into deficit at that time, Norfolk had no provision to raise debt funding without Australia's backing. That backing was not forthcoming. After protracted discussions between the Commonwealth and Norfolk Island, a JSC was finally held in 2014 which resulted in the Commonwealth removing the Norfolk Island Legislative Assembly against the stated wishes of 2/3 of Norfolk Islanders. Instead, in 2015 the Commonwealth amended the 1979 Norfolk Island Act and deemed Norfolk to be a regional council called the Norfolk Island Regional Council (NIRC) classified as a rural council under NSW legislation. The Commonwealth granted Norfolk the grand sum of \$15M to balance its depleted books. The Commonwealth removed responsibilities for Australian State matters (health and education) which the Commonwealth outsourced to NSW and then Queensland without involving Norfolk Islanders; placed Norfolk in the ACT electorate of Canberra for the purpose of Federal matters and in 2018 moved it to the electorate of Bean despite Norfolk having virtually nothing in common with the ACT; introduced Australian taxes, laws, standards, immigration, and security arrangements inappropriate for the Island; took over the management of historic Kingston and Cascade Pier; and left some previous Norfolk Island legislation still in place. The outsourcing of health initially to NSW saw the Island hospital closed requiring women to go off Island at 32 weeks to give birth and resulted in many older Islanders dying off the Island with Islanders then having to fly the bodies home to Norfolk for

burial. This is a perfect way to break a culture. It is also very expensive with each Medivac flight costing around \$30k. The negative impact of the GFC on tourism and the lack of Commonwealth support in subsequent years resulted in an estimated 500 Islanders leaving the Island to find work and pursue education elsewhere.

In 2021 Norfolk's situation became even further complicated by the Commonwealth placing the NIRC into administration because of cost overruns with the upgrade of the Island airport required to meet new Australian Civil Aviation Safety Authority (CASA) safety requirements. This project, worth more than the Norfolk Island Regional Council's annual budget, was left to the NIRC to manage even though the project should arguably be one with Commonwealth involvement given its size and complexity. According to Boral who delivered the project, getting the material to the Island was the most complex part of the project given the Island's remoteness, lack of a port and harsh weather. The project was also delivered during covid so a cost overrun under these circumstances is hardly surprising. Putting the NIRC into administration left Norfolk Islanders only with, for all intents and purposes, meaningless voting rights in the ACT due to their small numbers (in 2016, 328 Islanders voted in the Federal elections in an electorate with 117,000 voters), and no say over the things that matter to them on the Island.



Colleen McCullough: a "bloodless genocide" on Norfolk Island

Today Norfolk Islanders know that there is no democracy on the Island and they feel they are not able to care for their culture, land and future. The late Colleen McCullough, AO, who lived on Norfolk for 35 years, described Australia's scrapping of the Norfolk Island Legislative Assembly as 'bloodless genocide'.

It is difficult for us to understand what thinking is behind the JSC's 2023 terms of reference. However we will endeavour to stay within those terms and we suggest an underlying objective of the 2023 JSC is to right the wrongs of the 2014 JSC.



## **1. Alternative approaches to land tax.**

Awareness seems to be growing in Canberra that land tax is inappropriate on an Island where most landowner families are cash poor and looking after their land is part of their culture. When Norfolk Island was self-governing from 1979 to 2015 there was no land tax. Land tax is particularly inappropriate given the relatively low wages on the Island. The 2021 census shows only 9% of Island households earned more than \$3k a week compared with 24% in Australia despite Norfolk having a higher workforce participation rate than in Australia. We refer you to the model of the Norfolk Island Legislative Assembly which ran successfully without land tax for all those years. It was the GFC which caused Norfolk, like many other government administrations in Australia and elsewhere, to run into deficit, yet this is what inappropriately caused Australia to end Norfolk's self-governance.

## **2. Norfolk Island Regional Council (NIRC) as a rural council.**

Even after the Norfolk Island Legislative Assembly was ended by the Australian Government, the NIRC was still left with a much wider range of responsibilities than an Australian rural council, and indeed more than most Australian local councils of any size. The 2021 ABS data shows the NIRC employed 6-7% of Norfolk employees compared with 1.3% in Australian local government. This reflects the complexity of what the Island administration is responsible for and hence the inappropriateness of deeming Norfolk to be anything remotely the same as a typical Australian rural council.

## **3. State partner grants.**

Many of the functions of the Norfolk administration are equivalent to State functions in Australia. Norfolk should be able to receive grants as do other local councils, and even more so given its wide array of responsibilities.

#### **4. Land tax and local government services.**



Traditional methods served the Island well for many years, a culture now threatened by Australian OHS rules.

The successful Norfolk Island Legislative Assembly demonstrates that land tax is not needed to maintain appropriate local government services on Norfolk Island. Norfolk on the other hand cannot afford to support many services and assets to the same standards and regulations as in Australia and should not be required to do so. In addition, many of Australia's legal and regulatory requirements are at odds with the

Island's cultural norms and social and environmental needs. Australia's employment laws are strangling the Island economy. Australia's OHS laws have caused the traditional lighters to cease operating ending a key cultural tradition for the Islanders and tourists alike. Australia's employment laws requiring 3 hours minimum employment and higher pay rates on Sunday means many vendors are now not attending the weekend markets which run for less than 3 hours, and many shops are closed on Sundays because they cannot afford penalty rates. Requiring the delivery of freight and its unloading on the Island to be delivered to Australian OHS standards has resulted in food shortages on the Island and a back up of Australia Post parcels awaiting delivery in Brisbane currently reported to be 70 tons. This has also resulted in stopping the traditional lighter unloading of freight by the Islanders which is part of their culture and something that was special for tourists to see. Requiring the Island to air freight its waste off the Island is simply unaffordable.

#### **5. Resilience and sustainability of current and alternative revenue approaches.**

Presumably for the near future at least, tourism will remain the staple of Norfolk's economy. Australia can play a key role in rebooting tourism both by promoting the wonders of Norfolk and helping to retain its unique culture, and by

facilitating the return of more frequent flights to and from New Zealand as well as Australia, the number of airplane seats available is the key determinant of Island tourist numbers.

What the Commonwealth should not do is develop another solution for Norfolk from Canberra such as the very expensive extension to the Cascade Pier and adjacent roading, installation of a huge crane on the pier and purchase of 3 very expensive lighters with OHS equipment which require frequent



Lighters to move hypothetical tourists from theoretical cruise ships for indeterminate value.

servicing in Australia, on the unfounded believe that this would bring significant cruise ship passenger revenues to the Island. Despite the Commonwealth self-insuring for the travel risks of passengers in the lighters there have been few cruise ships, very few days that the weather and ocean conditions allow passengers to come ashore on an Island with no port, very few passengers that wish to leave the comfort of the cruise ships for the lighters, and the few that do come ashore come for less than half a day, enough time for a bus ride around the Island. Their impact to the Island tourist industry is minimal despite the huge costs charged up to the Norfolk account.

**Norfolk Island  
Philatelic Bureau**



Home	Stamps	First Day Covers	Gutters	Bulletins	Yearbooks	Contacts/FAQ
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**This Site is no longer valid as we have closed down**  
Just shows what you missed out on!

The Island made profit selling stamps to collectors worldwide.

Australia should allow Norfolk to once again issue its own stamps.



Australia can play an essential role in facilitating the establishment of businesses on the Island by providing a fibre optic link to the Island as Australia is for a number of our Pacific neighbours. Good communications are essential for business development but also for accessing remote education, health and emergency services. Australia should allow Norfolk to realise any revenues raised from its EEZ the revenues from which have had no transparency since it was taken over by Australia in 1980. Australia can reverse making the entire region around the Island a national park which has curtailed traditional fishing and fishing tourism on the island. The removal of immigration controls on the Island which has resulted in an approximately 25% increase in population since 2016 is clearly not sustainable and is part of what is putting the Island's living costs under pressure.



Back in the day, Australia relied on Norfolk Island for overseas communication. Today the Australian Government does not support fibre connection to the Island.

It is clear from the successful days of the Norfolk Island Legislative Assembly that it couldn't, without access to a debt facility, manage its revenues through the global shocks of the GFC and covid-19. The required enhancement to the previously very successful Norfolk Island Legislative Assembly is to have a supportive and cooperative arrangement with the Commonwealth which would ensure sustainability through global shocks.

## 6. The current governance model.

The current governance model is quite simply an inefficient and ineffective mess. Theoretically, as recently stated at Senate Estimates by the Administrator of the NIRC, the NIRC is focused on the bottom line and nothing else, with no focus on democracy and local values. Despite this, the current NIRC is anything but efficient and is certainly not democratic nor valuing the uniqueness of Norfolk Island. The Council, under Administration, has bloated costs due to the Commonwealth Government's recruitment of a part time FIFO administrator (who flies business class), a full time FIFO GM (who flies business class weekly to Queensland), and a number of other expensive Australian manager recruits. In addition the NIRC currently outsources a number of functions to consultants in

Queensland who are no doubt familiar with Australian local councils but not the unique needs of Norfolk. 30 former Norfolk Islander administration staff have been made redundant and there is no provision for training locals to once again see the administration run by local employees. The Council in administration is also undertaking some major studies such as a possible container port in 2 locations on the island; such studies, if desired by the local community, should be funded by the Commonwealth as a strategic investment as Australia is for neighbouring Pacific islands such as PNG. Similarly the Norfolk administration should not have been charged with managing and paying for some of the costs relating to the runway upgrade required to meet CASA standards, this should have been another Australian strategic project, not the cause of the Island being put into administration. Some of the Island's health and education costs should be paid for by Australia as is done for other Pacific neighbours.

The costs of visits by Australian politicians and their staffers usually in private jets often flying in parallel with the Qantas service, visits by Australian bureaucrats, and the costs of having a full time Commonwealth Island Administrator living in Norfolk's 1829 historic Government House are all charged up to the Island. Australia's costs should be born



The Administrator's palace...next to the golf course.

by Canberra and the time for an Australian Administrator living on the Island belongs in the colonial past. The current governance model comprises a complicated and confused mix of Australian local government approaches inappropriate for a local administration which has very wide responsibilities, NSW Local Government requirements, still current Norfolk Island legal requirements, Commonwealth legislation, regulations and taxation and the Commonwealth partnering with Queensland and previously NSW on State matters (education and health), and sees Norfolk federally located in the seat of Bean.

## 7. Alternative approaches to local government/representation in Australia.

Norfolk Island needs a simple and lean governance model which focuses on democratic and local values, transparency, accountability, integrity, operational management, risk management and internal and external audit functions. It needs to be run by Islanders for Islanders and supported by a cooperative agreement with the Australian Government for such strategic developments as runways, ports and undersea cables as well as assistance with health, education, business development and debt support as needed given global volatilities. Taxes need to be designed, raised and retained locally. The local administration should be responsible for sourcing the educational and health services on the Island so that once again Islanders can be born there, shape island education, and die on their beloved Norfolk Island. The Australian Government should not charge Norfolk for having a full time Island administrator living in Government House, a part time NIRC Administrator and a full time GM and other bureaucrats hired by Australia from Australia, nor should the Island pay for Australian politicians and bureaucrats to visit.

Given the relatively small number of responsibilities of most local councils in Australia, and the emphasis in Australian local councils on efficiency values, there are no alternative models that mainland Australia can offer.



The Island was a happier place with self-government.  
The Norfolk Island Legislative Assembly understood  
the island's needs.

The best model for Norfolk Island is the former Norfolk Island Legislative Assembly. We can all learn from what worked well for decades despite an unsupportive relationship with the Commonwealth Government at that time. A successful model for relationship with the Commonwealth is the type of cooperative agreement which exists between New Zealand and

the Cook Islands and Niue, will see Norfolk Island able to maintain its uniqueness, essential for the Islanders and the magic ingredient for successful tourism, through good times and through global shocks.

## **8. Alternative approaches achieving key outcomes of local government.**

The previous Norfolk Island Legislative Assembly model is the alternative local government model for Norfolk enhanced by the final removal of Australian colonialism symbolised by ending having an Island administrator living in Government House and returning Kingston and Cascade to be run by the local administration. Australian support for Norfolk as Australia does for other Pacific islands, including funding major asset investments such as airports, ports and telecommunications, and providing financial debt funding backing if and when needed, will see Australia be the collaborative partner to Norfolk as needed.

## **9. Alternative approaches equitably increasing local representation and decision making.**

The former Norfolk Island Legislative Assembly is the model demonstrated to work for Norfolk to achieve democracy, local decision making and an approach focused on local values, enhanced by a supporting relationship with the Commonwealth.

## **10. Alternative approaches supporting the additional functions the NIRC provide on behalf of the Commonwealth.**

The Norfolk Island Legislative Assembly delivered a number of the functions delivered by the Commonwealth in local council areas in Australia. Immigration is one such function which must be controlled locally to ensure a sustainable population as was done prior to 2015. Management of border control and policing will need to be brought back to being lean operations appropriate to a place where no one locks their house or car. The local administration should once again manage sourcing support for health and education services suited to Island needs. The local administration will once again have to collect the data to manage the Island as since the Australian takeover the reliance on 5 year ABS census data has proved inadequate. Taxes should be raised and retained locally. The colonial hang overs on the Island including still having an



Administrator and the Commonwealth owning and operating Kingston and Cascade need to end. On the other hand the Commonwealth should be a true partner to Norfolk funding major strategic projects when required and providing debt financing to enable the Island to get through periods of global shocks.



The Norfolk Island community have peacefully protested the Australian “recolonisation” since 2016. The “Hands Up for Democracy” installation and the “Norfolk Island Tent Embassy.” Duncan Sanderson manned the tent embassy continuously for five years before his death in 2021 as a protest against the Australian “take-over.”

Changes will require amendments to the current Norfolk Island Act as amended in 2015. The changes should largely return the Act to its 1979 form enabling the Norfolk Island Legislative Assembly to administer Norfolk successfully again, including putting the preamble to the 1979 act back into the legislation to properly reflect history in law. These changes will reverse the damage done in 2015 and restore Norfolk to democracy and a proud and successful future ensuring its uniqueness is preserved which will benefit Norfolk and Australia alike.



On 23 March 2023, in releasing the final wording of the Voice referendum, the Prime Minister, Anthony Albanese, said about the Voice that it is an opportunity for Australians to 'embrace our history', show 'respect', 'governments have tried to impose solutions from Canberra', 'recognise what we've been doing hasn't worked', 'stop doing things to people and do things with people', the referendum is 'an opportunity to unify our nation' which is good for Australia and for how we are seen in the world. As Marcia Langton also pointed out the easiest thing to say is that past Aboriginal organisations have not worked, and propose a new one, but in fact most of the past Aboriginal organisations were successful, they just needed to be better listened to.

These words all apply absolutely to Norfolk Island. The Norfolk Island Legislative Assembly was successful. It needed Commonwealth support particularly with major projects and debt funding. Now is the time to recognise that the 2014 JSC created what has become an undemocratic and unsustainable governance mess for Norfolk Island. The way forward is relatively simple. Have the Norfolk Island people elect a new Norfolk Island Legislative Assembly modelled on the last. In the year of the Voice referendum, reverse the 2015 changes to the Norfolk Island Act to mirror the Act from 1979 enhanced by a newly negotiated relationship between the Commonwealth and the Norfolk Island Legislative Assembly that will benefit both Norfolk Island and Australia.

End of submission.

