

**JOINT STANDING COMMITTEE ON THE
NATIONAL CAPITAL AND EXTERNAL TERRITORIES**

Norfolk Island Governance: Financial Sustainability

Norfolk Island financial sustainability report tabled

The Federal Parliament's External Territories Committee tabled *Norfolk Island Financial Sustainability: The Challenge – Sink or Swim* in the Senate today (1 December), and will table the report in the House of Representatives on Monday (5 December).

The report finds that serious challenges impede Norfolk Island's long-term financial sustainability.

Norfolk Island is raising insufficient revenue to match the escalating demands on government expenditure. The Island faces the pressures of an increasingly ageing population and the associated costs of its remoteness. Norfolk Island's economy is also precariously dependent on tourism, in an era of increasing global competitiveness.

The Committee noted, that, a comparison of Norfolk Island benefits with those paid to other Australians leaves ordinary Norfolk Islanders well short:

- Norfolk Islanders' social security benefits are 80 percent of those in other States and Territories;
- Norfolk Islanders are required to pay a flat Healthcare Levy of \$250 every six months, while all other Australians pay a progressive Medicare Levy according to their level of income; and
- Norfolk Island residents do not receive unemployment benefits.

The Committee has therefore recommended the only option left for the people of Norfolk Island: incorporation into the taxation and welfare systems of the Commonwealth.

According to the Department of Workplace Relations, an estimated 200 Norfolk Islanders would be eligible for a range of welfare benefits.

The Island would also benefit from the Commonwealth's assistance in the upgrade and maintenance of some sadly depreciating public infrastructure for which the Norfolk Island Government has never found enough money.

The Committee Chairman, Senator Ross Lightfoot, said "the Committee is of the view that all Australian citizens, irrespective of where they choose to reside in the nation, deserve competent government administration and service delivery to a standard no less than can be expected in any similar jurisdictions in other States or Territories of the Commonwealth."

Far from rendering Norfolk Island dependent on the Commonwealth Government, these recommendations will ensure a long-term strategy for the territory's financial sustainability, in the interests of fairness, equity and justice, for all residents of Norfolk Island, as citizens of the Commonwealth of Australia.

The full report can be found at the Committee's website at:

<http://www.aph.gov.au/house/committee/ncet/norfolkgovpart2/report.htm>

For media comment: please contact **Senator Ross Lightfoot** on **(02) 6277 3626** (Parliament House office) or **(08) 9344 8900** (Electorate Office).

For **more information**, contact the committee secretariat on telephone (02) 6277 4355 or access the report on the Committee's website at: <http://www.aph.gov.au/house/committee/ncet/index.htm>