



**COMMONWEALTH OF AUSTRALIA**

# **JOINT STANDING COMMITTEE**

on the

**NATIONAL CAPITAL AND EXTERNAL TERRITORIES**

**Reference: Communications and the external territories**

**NORFOLK ISLAND**

**Tuesday, 16 June 1998**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL  
TERRITORIES

Members:

Senator McGauran (Chair)

Senator Allison	Mr Dargavel
Senator Carr	Ms Ellis
Senator Lightfoot	Mrs Johnston
Senator Lundy	Mr Nehl
Senator West	Mr Neville
	Dr Southcott

To inquire into and report on:

Communications to and within Australia's External Territories, with particular reference to:

1. identifying the elements of a comprehensive and modern communications system required by communities with the characteristics of the External Territories;
2. the adequacy of existing services in meeting the communications (being broadcasting, postal, internet and on-line services, and telecommunications) needs of the residents of the External Territories;
3. the extent to which communications services available to the residents of the External Territories are of a similar standard to those available in Australia generally; and
4. the strategies required to address the future communications needs of the residents of the External Territories, including the costs, the roles of government, the private sector and the communities themselves in addressing those needs.

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# JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

*Communications and the external territories*

NORFOLK ISLAND

Tuesday, 16 June 1998

Present

Senator McGauran (Chair)

Senator Lightfoot

Ms Ellis

Mr Nehl

Mr Neville

Committee met at 9.06 a.m.

Senator McGauran took the chair.

**CHAIR**—I declare this public meeting of the Joint Standing Committee on the National Capital and External Territories open. The committee is inquiring into the communication needs of Australia's external territories. In referring the matter to the committee, the Minister for Regional Development, Territories and Local Government noted that residents of the territories have been experiencing a variety of difficulties and challenges which impinge on their ability to have the same access to communications as their fellow citizens in other remote areas of Australia.

The key question facing the committee is how to achieve the best possible communications standards for the external territories while considering the commercial imperatives and location difficulties faced by service providers. The committee has received a number of submissions from the territories themselves, relevant government departments and the service providers. The issues under consideration are complex and will require careful consideration by the committee. On behalf of the committee, therefore, I would like to thank those persons and organisations that have provided detailed submissions to the committee.

Before calling the first witnesses, I remind everyone present that these are the proceedings of the parliament and warrant the same respect that the proceedings of parliament deserve. The committee does not require witnesses to swear an oath or make an affirmation, but this does not diminish the importance of the evidence or hearing.

[9:08 a.m.]

**DAVIES, Mr Kim Mark, Manager, Norfolk Telecom, New Cascade Rd, Norfolk Island**

**MATHEWS, Mr Stephen, EDP Manager, Administration of Norfolk Island, Kingston, Norfolk Island**

**RICHARDS, Mr Wayne Daniel, Acting Program Manager—Economic Services, Administration of Norfolk Island, Kingston, Norfolk Island**

**ROBERTSON, Hon. James Gary, MLA, Norfolk Island Government, Old Military Barracks, Kingston, Norfolk Island**

**RODGERS, Mrs Tracey, Postal Services Manager, Norfolk Post, Taylors Road, Norfolk Island**

**SHAW, Mr Charles Stewart, Consulting Technical Officer, Norfolk Island Administration, Norfolk Island**

**CHAIR**—On behalf of the committee, I welcome representatives from the Norfolk Island government.

**Mr Robertson**—I appear on behalf of the Norfolk Island government and I also represent Hon. George Smith, who is presently off the island.

**CHAIR**—The committee does have the Norfolk Island submission before it. Are there any alterations or additions you would like to make to that submission?

**Mr Robertson**—At this stage there are no changes to that, but I would like to make an opening address.

**CHAIR**—Go ahead, Mr Robertson.

**Mr Robertson**—Thank you, Chair. On behalf of the Norfolk Island government, I welcome the standing committee to Norfolk Island. As I mentioned, our Chief Minister, Mr George Smith, is presently off the island. George is also the Minister for Finance and Strategic Planning, and the areas to be addressed by the inquiry—namely, broadcasting, postal, telecommunications, Internet and online services—are all within his area of executive responsibility.

I propose to make only brief comments at this point. As requested, the Norfolk Island government has made a written submission, which I hope is of assistance to the inquiry. The greater part of our submission seeks to be descriptive, providing an overview

of current services, identifying both present and future challenges facing these services and outlining strategies currently undertaken.

At present I propose to reiterate a few points set out in the introduction to our submission. Our perception is that there is a sense of urgency surrounding the communications inquiry. I am not aware of the past or present Norfolk Island government being consulted in any meaningful way prior to the announcement of the inquiry. The Norfolk Island government became aware of the inquiry only when it was provided with copies of advertisements placed in mainland newspapers. The committee's published material refers to the inquiry having a limited and urgent focus because changes in communications technologies are rapid and the committee hopes to report within a few months in order to meet the urgent needs of the residents of the territories.

It is possible that the committee is approaching the inquiry in so far as it relates to Norfolk Island with a predetermined point of view. Senator West, for example, in an interview—part of which was reprinted in our local newspaper—seems to have been briefed to the effect that there are problems providing even basic communication services for Norfolk Islanders. The Norfolk Island government, however, considers that the urgent communications needs of the community in terms of broadcasting, postal, Internet and online services, and telecommunications are presently being met.

Further, the government is of the view that the broader communications needs of the community are being adequately met. That is not to say that the island's communications services will not be facing challenges in the medium to longer term. The government's submission outlines many of the perceived challenges. The ultimate conversion to a comprehensive satellite communications system with the eventual demise of the ANZCAN cable is probably the fundamental challenge in terms of communications services facing the island. This overshadows all others. However, it is not in the island's best interests to approach these challenges in an atmosphere, contrived or otherwise, of crisis and hysteria.

The inquiry's terms of reference are based on the construction of a model of a comprehensive and modern communications system required by communities with the characteristics of the external territories. While we can appreciate the value of having a benchmark against which current services within external territories can be assured, this necessarily involves the making of valued judgments as to what services should be provided and at what level.

The Norfolk Island government is of the view, as stated in our submission, that what the Norfolk Island community wants or needs in terms of its communications systems is essentially a matter to be determined by the Norfolk Island government and the Norfolk Island community itself, if necessary, through the political process. We consider that attempts to resort to an external standard are arbitrary, imprecise and ultimately generate more heat than light. Nevertheless, we look forward with interest to see how the

committee will address this issue in its report.

There have been developments in the Norfolk Island communications area since the lodgment of our submission that are relevant to the inquiry. The local provision of Internet access, for example, has now been available since 1 May 1998. Even more importantly, the Norfolk Island government is currently arranging for external consultants to review and advise on a preliminary basis on the island's requirements for the introduction of a comprehensive satellite based telecommunications system.

In conclusion, communications and electronic technology are changing at an accelerating rate. This process of change causes some challenges, but is also very exciting and raises endless possibilities. We hope that the committee and officers enjoy their stay here on Norfolk Island and we look forward to obtaining the value of the insights into communications that the committee will gain as a result of their inquiry.

**CHAIR**—Thank you very much, Mr Robertson. I assure you all of us on this committee come here in good faith and with very good intentions. At a time when our government does have under review its policies toward the telecommunications network in rural and remote mainland Australia, even legislative changes to its telecommunications act, particularly for rural and mainland Australia, it would be poor—and how could we—to leave out the territories when placing these areas under review. So really that is one of our motivations for being here. I am sure we would be criticised if we left out the territories in our review of telecommunications in rural and remote Australia.

As far as the urgency matter goes, we do know that the State Grants Commission did a very good job in its full inquiry into all aspects of Norfolk Island, including communications. Our work is to update that and to add to that if necessary. There is no need to go back through the whole work that they did. So in many respects we are updating their work, so there is no need for a long drawn-out inquiry. With everchanging technology, a second inquiry is needed on top of that. So it is limited only to the extent that we are just dealing with this particular single issue. We do not come with any predetermined point of view at all. Therefore, I suppose we should get on with the inquiry so we can form our views.

**Ms ELLIS**—I will ask a couple of general questions to kick the morning off. Could you explain to the committee the main challenges in the area of broadcasting and what strategies are being put in place to deal with them here?

**Mr Davies**—Probably the main challenges with broadcasting at present are the challenges with pay television services not being extended to Norfolk Island. It is my own personal view that the Norfolk Island community would like to enjoy pay television services, but agreements with the companies over there have not allowed their service to be extended here.



**Mr NEVILLE**—For technical reasons or for policy reasons?

**Mr Davies**—Policy reasons. There is still the ability to transmit two more VHF channels out, channel 6 and channel 12, which will not cause any co-interference with the existing channels. I think that our radio broadcast needs are being met quite well.

**Ms ELLIS**—Apart from Galaxy, what sort of up-front interest has been expressed in getting pay television services here? I know what you are saying regarding agreements and so on, but in reality do you know whether any of them have said they want to come here?

**Mr Davies**—Galaxy actually made statements in the Norfolk Island press that they would be installing their service here and that they would be here within a couple of weeks, but 12 months down the track there was still no sign of them and as we now know—

**Ms ELLIS**—It has now got other problems. What about any other company?

**Mr Davies**—I think Sky New Zealand would like to extend their service here, but agreement with Australia not to send their product outside of New Zealand has not permitted that.

**Mr NEVILLE**—What about Austar?

**Mr Davies**—I am not aware of whether Austar or East Coast Television have an interest in coming here.

**Ms ELLIS**—There have been suggestions made that stronger transmitters on Mount Pitt are required so that television broadcasts can reach remote parts of the island itself and perhaps provide stereo sound as well. Do you have a view on that?

**Mr Davies**—I feel the ABC and SBS should be increased in strength. That could make everything appearance wise a lot better—you could eliminate a lot of antennas on houses, because the signal would work off rabbit ears. There are a few blind spots on the island that do not enjoy good quality television signals.

**CHAIR**—What would be the cost of stronger transmitters?

**Mr Davies**—Is it appropriate to get advice from Phil, Charlie or Margaret on that? I am not sure what is involved in upgrading them.

**Mr Shaw**—The research that we have done into this over the last couple of years indicated that to get a significant improvement in the coverage of the broadcast from Mount Pitt on ABC and SBS could probably be done for less than \$20,000, roughly. This

is a two-year old figure and may have to be revised, but if anything it could possibly be cheaper now.

**Mr NEVILLE**—Has there ever been a study done on the island for a second translator, perhaps? You say there are blind spots.

**Mr Shaw**—There have been estimates taken from looking at maps to try to work out if these blind spots are significant, but at the moment it would appear that they are not heavily populated. Consequently, we may have to just live with larger antennas in those spots, for the time being anyway. A second translator has not been considered, no, or a third.

**Mr NEHL**—In mainland Australia that is a fact of life. In my electorate there are large numbers of people who get no television reception at all or it is very bad indeed. You are no worse off than the electorate of Cowper. I have only been here one night and the television in my room was unwatchable. Is that general or is it just localised for this site?

**Mr Shaw**—Generally speaking, the reception can be made good if the money is spent.

**Mr NEHL**—While I am speaking, I will make some reference to Mr Robertson's opening remarks that tended to sound rather like a de facto declaration of independence. My interpretation of what you said is that you have no problems. Is that right?

**Mr Robertson**—I made reference to that towards the end of the speech and said that, yes, there are some areas which we are looking at. You may recall in my second to last paragraph I made reference to the fact that we have some consultants coming in to look at the overview. This is mainly for a couple of reasons. It is mainly to see where we are actually heading with the communications and what we have here at the moment, so that we do not start making ad hoc changes by putting in bits and pieces, with a translator here and a little bit there, and just wasting money in the long term.

Whilst we feel that there are certain things that we are basically communicating with in our area very well, we also realise—and I made this remark—and are very aware that an upgrade will be required in the not too distant future. We are bringing in consultants to do that very thing.

**Mr NEHL**—Basically, it is all under control?

**Mr Robertson**—Basically, it is under control.

**Ms ELLIS**—I want to refer to page 7 of your submission and the reference you make to the fact that the Australian Communications Authority conducted an exercise to

allocate 19 multi-point distribution station licences in Norfolk Island that received no expressions of interest. In your opinion why did that occur? Was there any consultation with you before that exercise and will the lack of interest in these licences impact on Norfolk Island's broadcasting services?

**Mr Shaw**—I could comment on this. When these expressions of interest were first mooted by the SMA—which is now I believe the ACA—I made some inquiries as to the cost of setting up this infrastructure on Norfolk Island from a company called RF Services who are experienced in this. I was informed that you would not get much change out of \$2 million. That was multi-point by definition, as the expression goes.

After showing a map of the island to this expert he said there would be a number of problems and for a population of 1,500 people it would be ludicrous to attempt to make money out of such a scheme, because it would take 20 years just to break even. What was the rest of your question?

**Ms ELLIS**—Was there any consultation, and what impact will the lack of interest have on broadcasting services locally?

**Mr Shaw**—What we have not got we won't miss. Therefore, the impact would be that more private satellite dishes will be installed in private residences, rather than looking at a multi-point or broadcasting system. This could be advantageous in many ways. Provided the things are hidden away, there won't be any impact of significance on the environment and people will probably end up with more choice and better quality than they would receive from a broadcast system, simply because it is of digital broadcast satellite standard.

**Ms ELLIS**—What is the average cost of a dish domestically?

**Mr Shaw**—A dish can be installed for about \$1,200. For a receiver to go with that dish it depends, but probably \$600 to \$800.

**Ms ELLIS**—How many people have those?

**Mr Shaw**—About 50 or 60 people on the island at the moment have them. But they are operating under an ad hoc, unofficial arrangement simply because the pay TV companies are still running extensive tests free to air, while the chaos following the demise of Australis is being sorted out.

**Ms ELLIS**—One last question: with those dishes, what services are being received ad hocly?

**Mr Shaw**—Ad hocly, there are number of channels. As Kim mentioned earlier, the Sky network in New Zealand is broadcasting two channels which are available here

unofficially. As he said also, they have virtually given up trying to operate here legally. There are a number of channels from Austar, which are under test—18 channels in all.

**Ms ELLIS**—All 18 are receivable at the moment?

**Mr Shaw**—They certainly are—loud and clear, very strong. They are also eight more channels available from Optus Vision, which is under test at the moment. So all up there are 28-odd channels of satellite, plus the free to air ones like CNN and other foreign things, which are also available. But you do have to make the investment of buying the equipment.

**Mr NEVILLE**—I note in our notes that the field of telecommunications is not clearly defined constitutionally between the two powers, but have you talked to those private providers about their access to the island or would you do that through the minister in Canberra? What policy direction are you taking in that respect?

**Mr Robertson**—One thing we have done is to make an application to the RTIF to see if certain funding could be done either to enable the investigations or within the communication field. One of the ironical things that came out was in the last advice I had received from Mr Sutton, who, I think, is the secretary involved in that. Michael Sutton sent me a fax on 11 May in which he thanked us for the letter we sent him. What he did say was that we may be aware that currently there is no formal allocation to the external territories—that is all external territories—under the RTIF, which in itself seems rather strange. At that stage they were communicating with the minister on the matter, but that hasn't been confirmed as yet. That is just not us; that is on the whole thing.

**Mr NEVILLE**—That may have been through oversight.

**Mr Robertson**—He did say that it may have been through oversight, yes. It is something that they are looking into at the present time.

**Mr NEVILLE**—Let us assume, then, that the minister did include the external territories, giving them access to the regional telecommunications infrastructure fund. What track would you go down? Would you look to having better transmission facilities here on the island, or would you go for what they have got in western New South Wales and Queensland, where the big dishes, the \$1,500 dishes, are being subsidised to the extent of about \$750 each? What track would you go down?

**Mr Robertson**—The track we are taking at the moment is a fairly simple one.

**Mr NEVILLE**—A third track, for that matter. That is not exhaustive. There could be other options too.

**Mr Robertson**—Yes. At the moment—and I allude back to the paragraph I

mentioned in my opening address—we have Main Marketing. Consultants are negotiating with the RTIF and ourselves whereby, if funded, they will then bring in AAP Sattel to do a complete investigation into communications on Norfolk Island and advise us on what is necessary to do certain areas which we wish to get to. As part of our current applications at the moment, we are looking at offshore finance. Offshore finance means that, if we do something in that area, we will need a pretty good communications system.

So this is all part and parcel of the major structure. But if the offshore does not happen, we will still continue with whatever is required in this modern day of technology to upgrade to the degree that people on Norfolk Island will be adequately serviced with a communications system.

**Mr NEHL**—How much money are you asking for from the RTIF?

**Mr Robertson**—At this stage \$150,000.

**Mr NEVILLE**—You mentioned that you have spoken to the secretary, Mr Sutton. Have you invited Mr Anthony and his committee to come here?

**Mr Robertson**—No. The last communications we have had have been with Mr Quilty from the minister's department. Negotiations are currently taking place and over the last few days, because of the long weekend, I have not had a reply back on that. But communications were taking place as of Thursday and Friday of last week.

**Mr NEVILLE**—Mr Chairman, could I just widen this a little? It is not specifically in any of the briefing notes or the terms of reference, and it has been alluded to only briefly. No doubt you would be aware that Australia is now considering high definition digital television and that the major commercial channels, the ABC and SBS will be required by 1 January 2000 to be in digital mode. There will then be an eight-year phasing in period during which time, all over Australia, television will be broadcast in both digital and analog form. This will be at some expense, I might add, to the commercial television stations—somewhere in the order of \$20 million to \$30 million a year.

At the end of that period, and giving the country stations a three-year period of grace in which they can purchase their equipment—and they will have eight years from when they purchase their equipment—the analog will be turned off, and Australia will probably be the first country to have high definition, cinema quality television with a sound system of CD quality. So overlaying any expenditure you are about to enter into in the next two or three years needs to be the thought: where will Norfolk Island be in respect of this technology? For example, is it an option for Norfolk Island to go straight into digital by 2001 rather than to mess around with analog?

The other question you would have to ask is whether or not Norfolk Island residents would be ready to start buying digital sets immediately, or whether you would

want the eight-year phasing in period here as well. You have difficulties here, but you are also in a unique position that, when there is a new technology on the horizon, you do not have to go through all the paraphernalia that the more convoluted schemes have. Have you been briefed by the department on the implications of digital; and do you have a view on it?

**Mr Davies**—No, we have not been briefed at this stage. As you may be aware, the analog signal, which we enjoy at the moment with ABC and SBS, is being changed over to digital very shortly. We are in the throes of investigating the purchase of equipment to receive that new digital signal.

**Mr NEVILLE**—It will be retransmitted on the island in analog form?

**Mr Davies**—No, retransmitted via satellite. The satellite feed will be a digital feed off the B3 satellite.

**Mr NEVILLE**—But from your own transmitter to the island?

**Mr Davies**—From our own transmitters here, it will remain as analog. But we have to receive it in the digital format to continue enjoying it.

**Mr NEVILLE**—Could you explain to me the problem you have with the reconfiguration of the Optus footprint?

**Mr Davies**—What is known as the national analog beam, the south-eastern beam, is being decommissioned and it is going to the national digital beam. The footprint does not extend out to Norfolk to the extent that it has with the analog beam, so we are having to install a larger receiving dish as well.

**Mr NEVILLE**—It says ‘fortuitous’ in our briefing notes. Does ‘fortuitous’ mean that, with the appropriate dishes, you will be able to pick up a pure signal?

**Mr Richards**—That is right. Tests have been commissioned to assess the size of the dish required to receive the new digital signal.

**Mr NEVILLE**—Is that part of that \$150,000 request?

**Mr Richards**—No.

**Mr NEVILLE**—What is the cost of the dish arrangement? Wouldn’t that be an appropriate thing to add to that request?

**Mr Shaw**—I am not qualified to answer the second part of your question. But with the first part, we have been advised that it will be around \$50,000 for an upgrade to a 7.6

metre commercial quality dish. That should provide something like a 99 per cent grade of service, which we have decided we can live with.

**Mr NEVILLE**—Do you know which feed that takes? Does that take the feed that does most of the northern and eastern coast with the Channel 10 signal out of Townsville as well?

**Mr Shaw**—We have been advised that the Channel 10 signal may be available. The feed is the national Aurora platform feed which is available all over Australia and, I believe, in the other external territories as well—Cocos (Keeling) and Christmas.

**Mr NEVILLE**—Acting Chief Minister, is it the policy of the government to enter into commercial television if it were available—that is, to receive a commercial feed not necessarily on the island, not island derived? If a commercial signal were available, would it be the policy of the government to receive that, or would you prefer to stay with the existing public services?

**Mr Robertson**—At the moment there is no firm policy on it. At such time as, I guess, we find out exactly what we can receive, no doubt then there will be something discussed at that point.

I go back to a question that was asked just a few minutes ago—and that was whether or not we were aware of the digital type. That had been expressed to us a little while ago. That is, once again, why I come back to the reason why we are—it is not that we are not rushing into it—getting communications guys to come across, to really give us a total overview as to where we are going and how we should progress the matters. Bearing in mind the number of changes and the massiveness and quickness of electronics today being frightening, we need to know exactly where we are heading before we go rushing in.

An example was just given a minute ago regarding the \$50,000-odd for an upgrade of a dish to enable us to get the new signal that would be coming from B3. That money is currently in budget and is available to do that. We were well aware of that. In fact, it has been on our books now for probably the last two years, saying, ‘Yes, that satellite is going to be disappearing at some stage and the transmission will be changing.’ That is eventually about to happen, we understand. We will, if necessary, put in the dish to enable that signal to be won. But that then does not blind us from continuing to make sure that, when we expand from here, we will expand in the direction that is compatible to all.

**Senator LIGHTFOOT**—Gentlemen, I am not too sure who wants to answer—and I am not going to let you off the hook, Mr Robertson—or whether you would like to answer where you individually feel more confident to do so. Norfolk Telecom is a wholly owned subsidiary of Telecom Australia. Is that right?

**Mr Richards**—Norfolk Telecom is not a separate legal entity. It falls within the Crown.

**Senator LIGHTFOOT**—The term ‘Norfolk Telecom’ is a convenient term for Telecom Australia operations in Norfolk, is it?

**Mr Richards**—No. The term ‘Norfolk Telecom’ is a term applied to one section of the administration of Norfolk Island. It is not a separate legal entity.

**Senator LIGHTFOOT**—So it is an integral part of Telecom Australia.

**Mr Richards**—No, it is part of the administration of Norfolk Island. It has nothing to do with Telstra.

**Senator LIGHTFOOT**—It has nothing to do with Telstra at all. And it is owned by the administration—

**Mr Richards**—It is within the administration. It is the administration wearing a different hat.

**Senator LIGHTFOOT**—How is it owned? Can you perhaps expand on that? How does that manifest itself in ownership?

**Mr Richards**—In terms of ownership, Norfolk Telecom is merely a section within the administration. It has no separate legal standing. It is similar to our immigration department or electricity. It is just a section within the Public Service.

**Senator LIGHTFOOT**—So it is owned by the people of Norfolk Island.

**Mr Richards**—You can put it in those terms, yes.

**Senator LIGHTFOOT**—With no other outside ownership?

**Mr Richards**—No. It is part of the administration which is the governing body within Norfolk Island.

**Senator LIGHTFOOT**—How do you then acquire your expertise? Do you acquire that through Telstra?

**Mr Richards**—We get it where we can. We pay for it or we employ it.

**Senator LIGHTFOOT**—Do you get any other advice, assistance or expert opinion on the directions of where you should go?



**Mr Richards**—We have a fairly good relationship with Telstra itself. We have an operating agreement with Telstra, and we have contacts with other players in this area.

**Senator LIGHTFOOT**—There was a sharp decline in your estimated revenue from Norfolk Telecom this year. Why was that? There was an original estimated \$1.58 million to come in and \$1.13 million came in. Why was there that significant drop?

**Mr Richards**—I think the drop refers to transfers to the revenue fund or transfer of funds out of Norfolk Telecom. It was dropped mainly because we envisaged incurring significant capital expenditure for possibly a cellular phone system or an upgrade of the AXE exchange that we have which appears to have a year 2000 problem. So we reduced the amount of money that was going to be transferred to the other main government revenue fund, similar to a consolidated fund, allowing for these contingencies.

**Senator LIGHTFOOT**—So it was not an operational loss?

**Mr Richards**—It was not an operational loss.

**Senator LIGHTFOOT**—In effect, there was no real loss at all; it was a matter of bookkeeping or creative accounting.

**Mr Richards**—It is similar to reducing a dividend. Your net profit might have stayed the same, but your dividend to shareholders was less.

**Senator LIGHTFOOT**—So it was a reserve fund loss rather than an operational loss?

**Mr Davies**—Yes, to cover the capital expenses that we envisaged coming up in the next financial year.

**Senator LIGHTFOOT**—Would you expect to make it up in the next financial year or fiscal year?

**Mr Davies**—No, I would not expect to make it up in the next financial year. It would take a longer period than that.

**Senator LIGHTFOOT**—Do you expect other similar losses of that nature?

**Mr Richards**—They are not really losses; they are retained funds.

**Senator LIGHTFOOT**—I thought you said that they were a reserve fund loss. You disagree with that?

**Mr Richards**—What I am saying is that our profitability remained the same. We

retained a higher proportion of the funds than we usually do because we expected to meet significant capital expenditure. That is not properly a loss.

**Mr Davies**—I would refer to it more as a capital improvement.

**Senator LIGHTFOOT**—Which figure was the capital improvement?

**Mr Davies**—The upgrade to the telephone exchange and the introduction of cellular telephones.

**Senator LIGHTFOOT**—With respect to cellular telephones, how far has that gone on the island? Is that fairly widespread?

**Mr Davies**—It is actually in limbo at the moment, I imagine awaiting the outcome of this inquiry and pending the costs to upgrade the telephone exchange, which is the No. 1 priority at this time.

**Senator LIGHTFOOT**—So the introduction of cellular phones was started on Norfolk and then suspended.

**Mr Davies**—It was started, and it was agreed to in principle by the government to introduce analog in the short term because of the significant difference in its introduction in terms of costing. Within a fortnight, we became aware of improvements that needed to be done to the AXE telephone exchange. So the introduction of cellular had to be shelved for the time being.

**Senator LIGHTFOOT**—How far had you progressed with respect to that production?

**Mr Davies**—No contracts had been signed. We had agreed on the supplier for the system.

**Senator LIGHTFOOT**—What about expenditure?

**Mr Davies**—No other expenditure had been done, other than the cost for field strength tests.

**Senator LIGHTFOOT**—What was that in generic figures, Mr Davies?

**Mr Davies**—An airfare and accommodation.

**Senator LIGHTFOOT**—So it was almost irrelevant in terms of the budget.

**Mr Davies**—Yes. You would be looking at \$2,000, at the outside.

**Senator LIGHTFOOT**—Would you refer to it as an agenda item that you had agreed to and then suspended the suggestion from the agenda until you were in a better position?

**Mr Davies**—Yes, that is how I would refer to it.

**Senator LIGHTFOOT**—When you do introduce cellular phones, will you go to digital?

**Mr Davies**—That will depend on which is the most viable at the time. To introduce digital is far more expensive than to introduce analog.

**Senator LIGHTFOOT**—I know this is not within your purview, but where do most tourists come from to Norfolk? Do they come from Australia?

**Mr Davies**—They come from Australia and New Zealand. I do not know what the breakdown is in percentage terms. The advantage of digital over analog is that the visitor would be able to bring their phone over, switch it on when they walk off the plane and it would work. But as to the types of tourists that we get over here, we do not get a lot of business travellers.

**Senator LIGHTFOOT**—Given that, I would think cellular phones would not be high on your new agenda for the island. If you are going to base your cellular phones on island needs, it does not seem to me to be a great priority for that.

**Mr Davies**—There is a lot of public demand for a cellular phone system.

**Senator LIGHTFOOT**—Just for the island or because people wish to contact areas outside Norfolk?

**Mr Davies**—Just for the island. I would have to say that, among the needs of visitors coming to the island, cellular is not high amongst the type of visitor that we get to the island.

**Senator LIGHTFOOT**—What is the type of visitor that you get here?

**Mr Robertson**—The figures are that around about 73 per cent come from Australia. The balance of that is basically New Zealand with maybe one or two per cent from elsewhere. The types of visitors that you are alluding to are those of a retired nature. The other side of it is people like you who want to get away for a break for a few days. When you come to Norfolk Island, the last thing you want is a phone. The last thing you want is to be contacted. However, there are ways to get around that if that is what you wish. Telecom would be able to hire mobiles if you wished. It is not a total cut-off for anybody that comes here. There would be that facility. We are aware that there is a global

situation coming up with cellular at some stage which may or may not affect our income from Telecom. Telecom, being a GBE basically, is referring back to where it is there.

**Senator LIGHTFOOT**—The reason I am asking is quite apparent. That is, if 73 per cent of people—roughly 30,000 tourists a year—come from Australia, then some compatibility with the telephones the Australians would bring in would seem to me to be something that ought to be included in your forward planning. As you are aware, we are going out of analog into digital, and evidently that is not something that you are considering, Mr Richards?

**Mr Richards**—GSM roaming was one of the factors that we considered. It is a feature that we would like, but it is a cost-benefit analysis. The cost of digital was significantly higher than analog.

**Senator LIGHTFOOT**—Can you recall what they were in generic figures?

**Mr Richards**—The digital system we were looking at was in excess of a million dollars. I think the analog system probably would be around half a million dollars.

**Mr Davies**—That is right; the digital was actually closer to \$2 million.

**Senator LIGHTFOOT**—Is that because of the technology or because of the obsolescence of analog?

**Mr Davies**—No, the analog system which we were considering is the latest technology analog. The digital system required more repeaters; the main switch equipment was a lot more expensive.

**Senator LIGHTFOOT**—What advice have you received, and from whom, with respect to the establishment of a cellular system?

**Mr Davies**—We have been working in conjunction with the Telstra mobile section, but I would hope it would be a function of Main Marketing that the Iridium and LEO phones also would be looked into when we finally decide what system we are going to install here.

**Senator LIGHTFOOT**—Do you have that advice? Can you make that advice available to the committee?

**Mr Davies**—No, we do not have that advice as yet.

**Senator LIGHTFOOT**—You said you did have some advice from Telstra. You said you had been getting advice from Telstra with respect to the establishment of a cellular system here. Do you have that advice; could you make that advice available to the

committee?

**Mr Davies**—I would have to check and make sure the documents were not commercial-in-confidence, but a lot of the advice was verbal and a lot of it related to Australia now deciding to retain analog in rural areas.

**Senator LIGHTFOOT**—But for a finite time.

**Mr Davies**—Yes.

**Senator LIGHTFOOT**—You were going to say something, Mr Richards—or is that answered?

**Mr Richards**—Basically, what Mr Davies said—we did not commission independent advisers on the establishment of cellular—

**Senator LIGHTFOOT**—Are you going to?

**Mr Richards**—Cellular is on hold at the moment. We are waiting until we solve this upgrade problem at the exchange; that is the highest priority at the moment.

**Senator LIGHTFOOT**—When do you think you will rejuvenate the cellular phone?

**Mr Richards**—When we resolve our problem with Ericssons.

**Senator LIGHTFOOT**—And that will be?

**Mr Richards**—As soon as possible—before the year 2000.

**Senator LIGHTFOOT**—With respect to the Internet and the introduction of it, I understand that it has been widely accepted here. Has that met your expectations or has it gone beyond your expectations?

**Mr Davies**—Can I assume that we are off broadcasting now?

**Senator LIGHTFOOT**—I would not have thought so.

**Mr Davies**—Charlie could probably answer that.

**Mr Shaw**—Have we finished with the technical aspects of broadcasting?

**Mr NEVILLE**—I would like to come back to cellular phones before we go on to the Internet.

**CHAIR**—Have you finished your questioning?

**Mr NEVILLE**—No, I have not, but could we come back to the Internet and finish the cellular phone questions? Mr Davies, is it possible to have an analog system on the island? Because you have a captive market, so to speak, is it possible to capture any outgoing signal and retransmit it in digital? For anyone using an analog on the island who wanted to go out, would it be possible to go out in digital—capture the signal and send it out?

**Mr Davies**—To enable roaming with an analog on the island?

**Mr NEVILLE**—Yes.

**Mr Davies**—I assume the technology is there to do that.

**Mr NEVILLE**—That could give you the best of both worlds, could it not?

**Mr Davies**—It still would not allow a visitor to walk off the plane with his digital phone and work into an analog network. There would still be that drawback.

**Mr NEVILLE**—I see. You said that your first priority is to get the Ericsson automatic exchange upgraded. What is your estimate on that? You told us in our briefing yesterday that you had 2,000 lines maximum capacity. How many lines do you want to expand that to, and what is the estimated cost?

**Mr Davies**—That is very hard to answer. At the moment there are four or five different options coming back to us from Ericsson. Basically it is to upgrade the software and the number of lines.

**Mr NEVILLE**—Up to 3,000 or something like that?

**Mr Davies**—I would imagine 3,000 would satisfy Norfolk's needs, the way the regulations are set up at the moment. Another option is to replace it with a complete cellular system.

**Mr NEVILLE**—To replace it totally with cellular?

**Mr Davies**—Yes. Until all these other options are back to us from Ericsson—

**Mr NEVILLE**—That would be dramatic, wouldn't it, by international standards?

**Mr Davies**—Yes, it is going from one extreme to the other, but we are going to investigate all options.

**Mr NEVILLE**—Of that \$1.8 million that you derive each year from local telecommunications as part of the government's income, do you have an alternative strategy to maintain a funding profile around \$2 million? You would need to retain that, wouldn't you? You cannot just go into a technology and lose your funding base at the same time. Perhaps I should direct this to Mr Robertson. Is there a strategy in place where, if you do go to some form of cellular technology and you do expand your exchange, you can retain your telecommunications income base?

**Mr Robertson**—One of the difficulties we have at this stage is that, as a GBE, Telecom is our largest fund-raiser and the dividends that are taken from that each year depended on the budget itself but also on trying to retain a certain amount of funds to be able to continue upgrading or whatever was necessary. There are two or three things happening: first of all, our current exchange problem, followed by the number of requests coming in for either cellular, digital or analog, plus other upgrades that are tending to come in—everything is hitting here at once. We cannot turn around and say to Telecom that we won't touch a thing. We still need to have a balance of budget somewhere along the line.

To that end, we are looking at other avenues of revenue—getting away from Telecom—because in the future the number of telephone calls and other issues that have been part of our gathering of the funds in the first place will be going out the window with people having the ability to carry their own phones. Anything that is online on the island is able to be charged by Telecom, but once we start getting people arriving and it just goes from satellite to satellite and from their hand-held operatives then that funding would disappear out the window, so to speak.

At this stage nothing is predetermined as to whether or not we would keep flogging Telecom as much as we do, but in the meantime we still have to balance everything. Once again we come back to the fact that we have got Main coming in to give us an overview and look into all of these things: where we are heading and how we can maintain our funds but, at the same time, how we can increase the structure of Telecom.

**Mr NEVILLE**—In your initial investigation into cellular phones, presumably you plan to have your own charging system and not leave that to Telstra?

**Mr Davies**—We did intend to introduce our own time based charging structure.

**Mr NEVILLE**—With the minimum option, what sort of cost are you looking at to simply upgrade the existing system of 3,000 lines with the appropriate software?

**Mr Davies**—With the software upgrade and additional infrastructure to introduce new lines, I would envisage that you would not get much change out of \$1 million.

**Mr NEHL**—I think yesterday you told us that there are the equivalent of two to

2½ lines per household.

**Mr Davies**—That is right.

**Mr NEHL**—Are there any households that do not have the telephone connected?

**Mr Davies**—I would say half a per cent.

**Mr NEHL**—Thank you. That is very good coverage.

**Mr Davies**—Most dwellings here have a telephone.

**CHAIR**—We will move on to the next section, which Senator Lightfoot was interested in, on the Internet.

**Ms ELLIS**—I take it that ‘ni.net.nf’ is the name of your Internet provider?

**Mr Richards**—The Internet service provider is called ni.net and the address on the Net is ni.net.nf. The Norfolk Island country code is nf.

**Ms ELLIS**—Thank you, I wanted to clarify that as I asked my question. Can you explain how the establishment of that service has affected the community generally here?

**Mr Richards**—It is early days. We have been operating for a month.

**Ms ELLIS**—Only a month?

**Mr Richards**—Yes. We were hoping to have a more comprehensive review at the three-month mark just to see how well the subscription rates, usage rates and revenue have been doing, as well as the impact on Norfolk Telecom revenues on fax and telephones.

**Ms ELLIS**—How many people have subscribed to it so far? You have just said you will do a review in about three months from commencement date. How many people are on to it at the moment? How many connection points do you have?

**Mr Richards**—It is difficult to say because there are two providers. The government functions as an ISP. There is also a private provider and he functions almost as an ISP too. We do not know how many people he has connected.

**Ms ELLIS**—What is the name of that provider?

**Mr Richards**—Norfolk Island Data Services. The proprietor is Robert Ryan.

**Mr NEVILLE**—He is licensed to you, is he?



**Mr Richards**—There is an agreement between us, of sorts.

**Ms ELLIS**—Do you have any idea at the moment of what the performance level is of the service or how people would judge the service so far? Or is it too early to ask you that as well?

**Mr Richards**—We do have our EDP manager here. It might be appropriate, if we are moving into the technical area, to ask him.

**Ms ELLIS**—The question generally is: how do you think the service is performing so far?

**Mr Mathews**—The service provided through Norfolk Telecom has surpassed my expectations. I was told to expect a 64k line to be very slow. In anything I have done with downloads or accessing web pages and so on I have found it more than acceptable. That is the feedback I get from our customers.

**Ms ELLIS**—Just as an ancillary question, is the school connected?

**Mr Mathews**—Yes, I have done some work for the school. I have set the school up in a very similar way to the way Norfolk Island Data Services is set up. I have one computer at the school which dials up Norfolk Telecom's ISP and all the machines on the network at the school then use that one telephone line to connect up. It means that, if one person at the school is using, they have reasonable speed. With two people it slows down a touch but it is still acceptable. The more people who are on the network and who are using or accessing the Internet or searching, the more the line will slow down for them. But, yes, they do have that.

**Ms ELLIS**—Do you have any idea at this stage of the breakdown between commercial connections and at home private connections?

**Mr Mathews**—There have been no statistics pulled out of our connections. As Mr Richards pointed out, we do not really have any indication of how many people have gone through Norfolk Island Data Services.

**Ms ELLIS**—Mr Richards, will your review at the three-month point include the other provider as well? Will you do a review of both services?

**Mr Richards**—No, we will be reviewing only the administration service.

**Ms ELLIS**—Will you be doing a review at some point, Mr Mathews?

**Mr Mathews**—I am part of our review. We work together where we can. Norfolk Island Data Services is a privately owned business. The only contact, other than some

negotiations building up to the installation of the Internet, with us is that they have applied for an account with Norfolk Telecom in the same way that anyone in the street can apply for an account with Norfolk Telecom.

What he has done with his connection is put a computer at the end of it with a number of modems on, so any people who are using him for an ISP are effectively using his account with us. If he pays us X amount of dollars per hour for that, he can on-sell those hours for whatever he likes. He is running a business in the same way that, if you purchased a fax machine and a telephone line to Telecom, you could do whatever business you liked on that line.

**Ms ELLIS**—Okay.

**Mr Mathews**—There is one other point. That type of arrangement will certainly be looked at in our three-month review. At our three-month review we are considering a number of options: private connections, business connections, commercial connections, government connections and obviously the education connection. Our first priority was to get the thing up and running, prove we could keep it running and have a look at the sort of use it got, with a three-month review declared before we even started.

**Ms ELLIS**—How has it been generally received?

**Mr Mathews**—The people who have it are getting used to the technology. People who know of computers and know how to use a mouse move a lot faster; people who had to learn computers as well as the Internet in one hit were a little bit slower. Other than that, I would say it has been received reasonably well.

**Ms ELLIS**—Given the remoteness of the island in a lot of senses, what do you perceive the impact of the Internet is going to be? What can you see happening?

**Mr Mathews**—Personally?

**Ms ELLIS**—Yes.

**Mr Mathews**—I have children here and I think the benefits for education are great. There was a program run recently called *Murder under the microscope*. It was run throughout the schools in Australia, and the kids up here at the local school were able to participate as if they were sitting in Sydney—going through the same processes as all those kids over there—so, for that part of it, I think there are great benefits. Anyone who has used the Internet knows it is like sifting for gold: you have really got to sift through what is not important to get to your gold.

**Ms ELLIS**—A primary school in my electorate in the ACT was one of the first schools to be connected to the web almost before you could get it for households—there

was a special arrangement made. It is a computer school. Five-, six-, seven- and eight-year-olds have been holding conversations with kids on the other side of the world for a small number of years and the impact has been enormous in terms of their broadening of mind and access to information. It is just extraordinary.

**CHAIR**—Is the hospital connected online?

**Mr Mathews**—The hospital is not as yet. I do not think they have applied for an account.

**Mr Davies**—No, not with us; they haven't. I do not know whether they have applied with Data Services.

**Senator LIGHTFOOT**—Continuing with the Internet, could you explain, please, the private domain names? I do not know if this is peculiar to Norfolk Island: it is a cable facility that is accessed via the Internet through an email address or a web site.

**Mr Mathews**—How familiar are you with Internet domain names?

**Senator LIGHTFOOT**—Sorry?

**Mr Mathews**—Internet domain names—is that your question?

**Senator LIGHTFOOT**—Yes.

**Mr Mathews**—Are you familiar with the fact that most of the Australian domain names have 'au' at the end of them?

**Senator LIGHTFOOT**—Yes.

**Mr Mathews**—Most of the American ones have nothing because they invented the system: they do not need to put 'us' at the end of theirs. Those codes came off a standard isocode listing, which is a worldwide standard of country codes, of which Norfolk Island has one.

**Senator LIGHTFOOT**—It is the 'nf' that I am talking about.

**Mr Mathews**—Yes. That is what I am getting to. Norfolk Island's isocode is nf. Rob Ryan of Norfolk Island Data Services has been following the Internet very closely in his business over a number of years. He applied to administer the domain 'nf' and was given it because nobody else had asked for it.

**Senator LIGHTFOOT**—He was literally given it?

**Mr Mathews**—It is not that you own it, it is that you have a responsibility to look after it.

**Senator LIGHTFOOT**—As a provider?

**Mr Mathews**—If you read what is called the RFCs on the Internet, it talks about not ownership or rights to it but responsibility to maintain and responsibility for upkeep.

**Senator LIGHTFOOT**—Who actually owns the right to that domain? Is it Norfolk Island Data Services?

**Mr Mathews**—They have that responsibility at this point.

**Senator LIGHTFOOT**—Who is ‘they’? Who owns Norfolk Island Data Services?

**Mr Mathews**—Robert Ryan.

**Mr Davies**—A bit like Robert Els administers .au in Australia; it is the same set-up.

**Senator LIGHTFOOT**—Has there been anything adverse in comments with respect to that?

**Mr Mathews**—With respect to .nf? Yes, there have been a number of comments raised with me, and I have some private feelings on it which I will not raise here. Mr Ryan has been selling off .nf addresses to people who are prepared to buy them. From our standpoint and the standpoint of the government of Norfolk Island, which they have raised with me, there is a concern that it muddies up our address space to a degree. There are a number of people who will have .nf addresses who have nothing to do with Norfolk Island whatsoever.

**Senator LIGHTFOOT**—What has motivated people, what is behind people wanting a .nf address?

**Mr Mathews**—It is dropping off now because America is doing the same thing: you can apply for a name with a .com address and if it is available you can have it for \$50 a year. Going back a little way, it was a very slow process to get your domain name and very difficult to get exactly the name that you wanted. By speeding up the process to get a domain name and giving you what you want, as long as it had .nf at the end of it, that would be attractive to certain people.

**Senator LIGHTFOOT**—For what reason?

**Mr Mathews**—Why do people get personalised number plates?

**Senator LIGHTFOOT**—Do you think it is limited solely to that?

**Mr Mathews**—As I said, there are two reasons: speed and the prestige of having whatever name you wanted. I cannot see what other benefits there would be to it.

**Senator LIGHTFOOT**—Any comments, Mr Davies?

**Mr Davies**—I cannot see any advantage other than having the ability to have a unique name.

**Senator LIGHTFOOT**—What was the ‘notoriety’, then, that was attached to the .nf domain, if indeed there was any?

**Mr Davies**—Originally the world standard was that you would not issue a dictionary name as an Internet address, and that was not a standard that was stuck to by the .nf administrator.

**Mr Mathews**—In that sense, the .nf domain was one of the first ones to break with a number of standards. We have all seen .com, .edu, .gov and so on. Those kinds of standards were thrown out with the .nf domain and reasonably worldwide those standards have stuck on the Internet until then. Places like England and New Zealand use .co rather than .com but it has the same connotations. With .nf, we see things like Rob himself having an email address of Rob@Ryan.nf, so there is no indication there whether that is a commercial organisation or educational or government or whatever.

**Senator LIGHTFOOT**—What about your government, Mr Robertson? Are they happy with the administration of that particular domain?

**Mr Robertson**—As Mr Richards has mentioned, we have only been operating since 1 May. It is very early in the piece. Prior to going in and operating from 1 May, we said that we would do a review within three months to see how it was all going. That is still currently under way and we will get more feedback on exactly what is happening. The government will be looking at it when we get more information but we cannot make a decision as yet. I guess one of the things that has happened is that on the commercial side of it Rob has managed—

**Senator LIGHTFOOT**—Rob is from?

**Mr Robertson**—Rob Ryan from Data Services. He has managed to gain a number of customers by charging a little less than the government is, and people are asking us how come he can do that.

**Senator LIGHTFOOT**—And what is the answer to that question?

**Mr Robertson**—The government, of course, was not happy, but obviously Mr Ryan took advantage of the way the set-up was. But that is part of the review that is taking place as to what we can negotiate and how we can overcome that type of thing.

**Senator LIGHTFOOT**—What about the increasing waiting times and regulations allegedly imposed by third parties? Do you know anything about that?

**Mr Robertson**—I do not know anything about that.

**Senator LIGHTFOOT**—Can you expand on that a little. My information is that there are increased waiting times and regulations that are imposed by third parties for Australia and overseas domain name registration which makes the Norfolk Island domain name an attractive option.

**Mr Mathews**—I raised that before. It was the first point I made. One was the time delay in getting those things. Australia has taken steps towards that. Robert Ell of Melbourne University had full control. Every domain name application had to go through him. In the last six to 12 months, they have set up committees and so on. He has passed on most of the responsibility for that to those committees. They tell me, and I read it in the press, that achieving names within the .au is improving because of that.

**Senator LIGHTFOOT**—You can apply for it one day and have it granted the next day? Is it something along those lines?

**Mr Mathews**—I doubt that.

**Senator LIGHTFOOT**—Should it not be about waiting time?

**Mr Mathews**—We are not here to explain Australian naming procedures.

**Senator LIGHTFOOT**—But it affects you, I understand.

**Mr NEVILLE**—It might improve on it.

**Mr Mathews**—Do Australian domain name allocations affect us?

**Senator LIGHTFOOT**—With respect to these third parties, don't the applications for domain names from Norfolk Island go to Australia in conjunction with Australia?

**Mr Mathews**—No. The .nf name space is totally separate from .au.

**Senator LIGHTFOOT**—There is no coalition between Australia and Norfolk Island with respect to this?

**Mr Mathews**—The .au and the .nf are at the same level. That is where they split. From the top level of the domain, they split there. From then on, they are totally separate.

**Senator LIGHTFOOT**—They are maintained as separate entities right through?

**Mr Mathews**—Certainly.

**Senator LIGHTFOOT**—With no interference of one with the other?

**Mr Mathews**—That is correct. Within the name space, that is correct. Obviously the Internet is all connected both physically and by IP numbers. In that sense, they interact. From a name space point of view, they are quite separate.

**Mr NEVILLE**—There is another point; you alluded to it earlier in your evidence. Mr Ryan has the right to allocate—I do not know the terminology—sub-domains, for want of a better expression. If he does not do that for things that are intrinsically associated with Norfolk Island, he is diluting the significance of your national domain signal, is he not?

**Mr Mathews**—That is my personal view. The government ministers have raised that point with me as well.

**Mr NEVILLE**—Can the government do anything about having the international body as the ultimate administrator of the nf code?

**Mr Mathews**—The government has asked me to explore that. This week, I have had a response from IANA with regard to it. There are steps the government can take.

**Mr NEVILLE**—Is there any help the committee can give you or the government in that respect? Yours is quite separate from the Australian one. Is there any assistance we can give you on that?

**Mr Mathews**—On my advice from IANA, the government of Norfolk Island would not need any help.

**Mr NEVILLE**—It would prevent the dilution of that.

**Mr Mathews**—A concern of mine has been the muddying of the Norfolk name space on the Net. We had one minister in a fundraising meeting suggest that we get it and start selling it ourselves to raise funds.

**Senator LIGHTFOOT**—Mr Mathews, what about RealNet Access of Sydney? Do you know anything about them?

**Mr Mathews**—I will lay out the picture of how our Internet is set up. That will bring RealNet into the picture. Norfolk Telecom or the administration of Norfolk Island were the first people to get a permanent connection to the Internet here on the island. It has been up and running since 1 May. Rob Ryan of Norfolk Island Data Services, as we have discussed, has been involved with the Internet for some time. He had the domain name allocated to him. He had no direct connection to the Internet on the island permanently. He contracted or made some sort of partnership with RealNet in Sydney to host the domain for him. He could not host it here, because nobody in the world could get to it. Norfolk was not connected to the Internet. Therefore, they could not look up the domain names for it. RealNet is a business partner, if you like, of Norfolk Island Data Services. They are currently still hosting the Norfolk Island domain space in Sydney. Rob Ryan's or Norfolk Island Data Services's only access to the Internet is via a dial-up connection to Norfolk Telecom on to our permanent connection off the island.

**Senator LIGHTFOOT**—And ni.net?

**Mr Mathews**—Ni.net has a permanent connection and is permanently on the Net 24 hours a day, seven days a week.

**Senator LIGHTFOOT**—So there is no other competition for data services?

**Mr Mathews**—At the moment, anybody could—I could do it myself if I wanted to—set up 10 phone lines at their place. I could have one of those phone lines connect up to ni.net through Norfolk Telecom. I could sell people hours on the Internet through the phone lines at my place. You are correct in saying that there is no competition in that nobody has done it.

**Senator LIGHTFOOT**—But there is no reason why it should not be done? Is that right, Mr Robertson?

**Mr Robertson**—If it is possible to be done, yes.

**Senator LIGHTFOOT**—But you share the view that there is no need for it to be done because Data Services offers a very good service anyway? Is that right?

**Mr Robertson**—There are two factors. As we said earlier, Data Services is operating at a slightly lesser rate than the Norfolk Island government.

**Senator LIGHTFOOT**—But it is a good service?

**Mr Robertson**—The service is fine. It is a little slow in comparison.

**Mr Mathews**—There has been talk about speed problems through his service. Obviously, anyone who connects up through Telecom has a dedicated line to Telecom.



Anyone who connects up through Data Services is sharing that line with anyone else who is connected up to Norfolk Island Data Services. Obviously at peak times it will slow down.

**Senator LIGHTFOOT**—So ni.net do not compete with Data Services?

**Mr Mathews**—Certainly they do. Norfolk Telecom have set up the infrastructure to connect Norfolk Island to the net. At the end of that infrastructure, they have placed an ISP themselves, which anybody off the street can have an account with and dial up through.

**Mr NEVILLE**—It goes out with you? Is it a separate billing system?

**Mr Mathews**—It is a separate billing system.

**Mr NEVILLE**—It is ultimately owned by Telecom?

**Mr Mathews**—That is correct. It is ultimately owned by the administration of Norfolk Island.

**Senator LIGHTFOOT**—What about the present infrastructure that the Internet depends on? Is that sufficient for the future, or is there some apprehension about that? If there is, what is it that is required?

**Mr Mathews**—Any computer that you buy today will be obsolete tomorrow. You will always want a bigger hard drive and more memory. You will always want more service. We did not go for overkill when we set up the Internet. Getting back to our three-month review, we wanted to get it up and running and prove that we could run it. At the end of the three months, we would come back and say, 'It is working fine, but we need this extra equipment, such as more modems and bandwidth out of the island, more service or whatever the case may be.' There is no way that we could categorically say we have purchased everything that we need to run an Internet connection. We are very happy with it from now on. There is no so such thing as future-proof computers.

**Senator LIGHTFOOT**—What are your apprehensions with respect to the future? What can you define of the present infrastructure that will need to be replaced? I do not mean the software or the computers themselves but the other infrastructure you rely on for that.

**Mr Mathews**—The main reliance on infrastructure other than software and computers that we have is on the ANZCAN cable. ANZCAN cable life is finite. How finite it is I do not know. I think it has been moved sometimes over the past. It will affect all our telecommunications.

**Senator LIGHTFOOT**—And its capacity with respect to your interests?

**Mr Mathews**—As far as the Internet goes, if we wanted more bandwidth off the island, ANZCAN cable can currently provide that.

**Senator LIGHTFOOT**—Mr Davies, do you have anything to add to that?

**Mr Davies**—No. That is exactly right.

**Senator LIGHTFOOT**—Mr Richards?

**Mr Richards**—That is correct.

**Mr NEVILLE**—In my electorate, I receive two very substantial grants under the regional telecommunications infrastructure fund.

**Mr NEHL**—You have two. I have none.

**Mr NEVILLE**—To be fair, they were given in respect of providers run by the local councils, who were required to form committees and to privatise them after two or three years. Of the \$150,000 that you are applying for, have you allowed for something like that?

**Mr Robertson**—I have just been told during this meeting that the number of applications is actually 300,000. There is a further 150,000 which I was not aware of.

**Mr NEVILLE**—Is that part of this Internet arrangement?

**Mr Robertson**—There is the 150,000 which was basically worked to come up with whatever is required there, and there is apparently a further 150,000 which is to do with part of Internet communication and so forth, which is a separate issue I have just been advised of. So, all up, there is a total of 300,000. One was formally requested; the other 150,000 is still getting there.

**Mr NEVILLE**—Okay.

**Mr NEHL**—We are 18 months away from the bug. You have indicated in your submission that your Ericsson telephone exchange will be affected by that. Can you tell the committee the state of discussions between you and Ericsson—how far you are and what is likely to happen? If you cannot make an arrangement with Ericsson, what are the alternates which you have to face?

**Mr Davies**—Currently, we are waiting on the options to overcome this problem. I am not convinced that there is a national bug problem. One of the things we would like to

do in the future is put this exchange clock to an artificial time of five to midnight in December 1999, do a test and just see what the outcome is. It is not cut and dried. There are support problems as well. Ericsson is moving towards a common software platform for support. What was the other part of your question?

**Mr NEHL**—If Ericsson do not come to the party or cannot come to the party, what alternates are you looking at?

**Mr Davies**—I imagine this will depend on what direction the government wants to take. But, if none of the options which Ericsson come back with are viable, it will go out to expressions of interest and possibly to tender later on down the track.

**Mr NEHL**—Are Ericsson being cooperative and helpful?

**Mr Davies**—Yes, they are.

**Mr NEVILLE**—I have a question about that to Mr Robertson: is your telecommunications minister—he or she—in a loop with the other state and territory ministers with regard to this millennium bug arrangement? I understand that a strategy committee has been formed on the mainland about this. Have you been included in that?

**Mr Robertson**—I am not aware of that. Whether George Smith, our Chief Minister, has linked into that, I do not know. Do you know, Wayne?

**Mr Richards**—I am not aware of any communications with that group. We ourselves have just started to look at the issue and have had preliminary discussions with outside consultants. We will have to conduct our own year 2000 audit within the administration generally very shortly. We do not know the size of the problem, if there is one.

**Mr NEVILLE**—Have you written to the Prime Minister and Senator Alston to be included in any negotiations?

**Mr Richards**—No, we have not.

**Mr NEVILLE**—I think that would be wise.

**CHAIR**—We will move on to another area, and that is Australia Post.

**Mr NEVILLE**—Mr Chair, are we going off broadcasting and communications altogether now?

**CHAIR**—Yes.

**Mr NEVILLE**—There are a couple of other areas we have not explored.

**CHAIR**—Sure.

**Mr NEVILLE**—I understand security of your mobile trunking system has caused some concerns and also that of your police high band VHF radio. What moves have you taken to fix those?

**Mr Davies**—The trunking system is analog and it can be eavesdropped by a simple Dick Smith scanner. The police system is even more easily eavesdropped, because that goes out on just the one channel whereas the trunking system has four channels. I have never been made aware that that is a problem.

**Mr NEVILLE**—You do not see it as a problem? It is not of concern to the government, Mr Robertson?

**Mr Robertson**—It is of definite concern. When we were discussing even the digital side of it, we were saying, 'Well, okay, that may give you the security of a phone call.' But, as we are all aware, no matter what system you put in, if anybody wants to ping it, they will. There is that problem. In fact, for about a year or two, it has been well known that if the operators of the current mobile system wanted to say something of a nature that they did not want to be heard, they would often say, 'Hang on, I will come around and see you.' That is what has been going on. Everybody has been aware that it is able to be intercepted.

**Mr Davies**—I must add that the police system is owned by the police. It is not a system which was installed by Telecom or which is owned by administration at all.

**Mr NEVILLE**—Does that link back to Canberra, or to Sydney or to where? It can contact anywhere, I suppose.

**Mr Davies**—To Canberra. The police phone system is a Canberra hand-me-down from the police department there.

**Mr NEVILLE**—I know you have special constables. In the event of some emergency, where would you go for assistance? Do you go to the Australian Federal Police if you need backup at any time?

**Mr Davies**—I do not know the answer to that.

**Mr Robertson**—No, that is—

**Mr NEVILLE**—I am just looking at an emergency situation. If this system is vulnerable, could it be jammed, for example?

**Mr Robertson**—This is something that I am unaware of. I have not been briefed

on it, so I cannot answer that.

**Mr Davies**—The police system can only handle one phone call and then it is jammed, as you referred to.

**Mr NEVILLE**—Do you have any other emergency links to the mainland through other systems—medical, ambulance, RAAF?

**Mr Davies**—Are you talking about communications off-island?

**Mr NEVILLE**—Yes, in emergency situations.

**Mr Davies**—Yes, we have an INMARSAT A terminal, which is a direct satellite link if the island's communications system fails. And we have a few ham operators around the island who have given agreement to their systems being available.

**Mr NEVILLE**—Have you been talking to the ABA about allocation of new channels or the likely availability of a new system under digital? I heard Mr Robertson refer to that as an option, but have you actually started talking to the ABA about that?

**Mr Davies**—In trunking technology?

**Mr NEVILLE**—Yes.

**Mr Davies**—No, we have not. As I said before, it has never been made aware to me that there is a problem with privacy on the trunking system.

**CHAIR**—We have the hospital representatives coming to see us straight after you. Can you explain to me the type of improved technology that would be required to get telemedicine operating?

**Mr Davies**—I am not very knowledgeable in how telemedicine works. I am assuming it works via the Internet.

**CHAIR**—To tell you the truth, I am not either.

**Ms ELLIS**—I should be because I was on an inquiry into this.

**CHAIR**—And are you?

**Ms ELLIS**—It depends on what you are attempting to transmit. If you want to transmit scanned MRI or X-rays, you need up to digital quality to get the transmission reproduction that you would require. A general X-ray can almost be put across the Internet but an MRI scan, for argument's sake, would need digital technology to get the accurate

transmission in fine detail. There are different levels of requirement for different transmission needs. I saw a diagnosis from the Brisbane hospital to an outreach hospital with a television camera in an emergency ward with an orthopaedic surgeon in Brisbane saying, 'Do this,' or 'Do that.' It can go from that basic television to television diagnosis level through to a high frequency digital transmission—Paul would probably know the technology more than me—for the reproduction of MRI scans for close diagnosis.

**Mr Davies**—I suppose the question is: is that technology available via the ANZCAN cable?

**Ms ELLIS**—Yes, probably.

**Mr Davies**—That is something that we would have to investigate with Telstra to see if it were possible.

**Mr NEHL**—I do not know the basis or the carrier, but that service is certainly available to our stations in Antarctica. So I could not see why it would not be available to you.

**Mr Davies**—Antarctica may be a satellite link.

**Mr Robertson**—We have actually had discussions in government on this. Mr John Brown, the Minister for Health, has raised that point a number of times, and more so since we have just recently installed a new X-ray unit in the hospital along with a new processor to ensure that the X-ray that does come off is readable for a start, let alone trying to transmit it.

**Ms ELLIS**—Exactly.

**Mr Robertson**—That is now 100 per cent. They are linking up with one of the hospitals on the mainland to be able to diagnose whatever is sent across, but they are looking to further that in the future. Maybe it is a point of allowing the doctors here to get a second opinion to reaffirm whatever their diagnostic ability is in the first place. That has been discussed and it is being looked at.

**Ms ELLIS**—Mr Robertson, the inquiry that I was involved in with the House of Representatives Standing Committee on Family and Community Affairs produced a report on telemedicine, which was tabled in the parliament last year. It would be very worth while if you could get hold of it and have a look at it. Some of the pilots that were run that our committee looked at were connected to Brisbane hospital, and that might be a perfect location to carry on some further development.

**CHAIR**—We will commit to send that to you, Mr Robertson.

**Mr Robertson**—Thank you.

**CHAIR**—Just as a point of clarification, you spoke about the police system—the trunk radio system. Is that their own system?

**Mr Davies**—The police system is not a trunk system.

**Mr NEVILLE**—It is VHF.

**Mr Davies**—Yes, it is VHF.

**CHAIR**—I see that the hospital has a trunk radio system service, and its concern is that it is not confidential at all.

**Mr Davies**—It should be worldwide knowledge that, if you are talking on an analog phone, it is not confidential, and if you have something private to say you do it via landline. I do not think hospitals should be giving private information over the trunking system or over any radio.

**CHAIR**—Still on the hospital, no-one has access to the freecall numbers. For the hospital's benefit, of course, it would be to allow islanders to access counselling services and other such matters. Why is that?

**Mr Davies**—Access to freecall numbers is entirely at the whim of the Australian company as to whether they allow or whether they desire to pick up the international tab. If you dial a freecall number from Norfolk Island to Australia, the Norfolk Island company that owns that number pays for your call. That is the problem we face. A lot of the companies say that the business is not high enough on Norfolk to warrant allowing Norfolk to ring that freecall number.

**CHAIR**—Thank you. That is a point of interest.

**Mr NEHL**—Do you have a local 000 number—an emergency number?

**Mr Davies**—Not 000 as such; all our emergency numbers start with 9.

**Mr NEHL**—But do you have a single emergency number?

**Mr Davies**—Yes.

**CHAIR**—As there are no more questions in that area, we will move on to our last section—the post.

**Ms ELLIS**—With your indulgence, I would just say that two of the most success-

ful uses of telemedicine appear to have been psychiatric services and counselling services. Again, that might be something that you would like to look at.

As you have noted in your submission, the postal service depends upon regular and frequent aircraft and shipping services. A number of submissions to us have expressed the desire for more frequent delivery of mail. What are the strategies to enhance aircraft and shipping services so that mail can be delivered more frequently?

**Mrs Rodgers**—We have a memorandum of understanding with Australia Post which was signed in late September 1994. It sets out the protocols and the service levels between the two operating bodies. We have an air service that operates at least five days a week. At the moment we have an air service from Sydney seven days a week and we do actually carry mail seven days a week. The minimum level under that memorandum of understanding is four times a week. It is subject to aircraft schedules, and when those schedules are changed by the private carrier operating the service into Norfolk Island then we have to work with that service on what our delivery schedules will be. Obviously on a weekend we will have outgoing mail but we will not be accepting mail in, so we have mail closure on a Friday. We do not have any other ability to service apart from mail coming in from Australia over the weekend.

**Mr NEVILLE**—As part of the protocol, is Norfolk Island considered part of the community service obligation to maintain the standard letter rate at 45c?

**Mrs Rodgers**—I would have to go back and check the document, but it is my understanding that that is the case.

**Mr NEVILLE**—You can send a letter anywhere in Australia up to a certain size for 45c?

**Mrs Rodgers**—Yes, and we work under those same protocols here.

**Mr NEVILLE**—Is a Norfolk Island stamp valid in either country?

**Mrs Rodgers**—A Norfolk Island stamp will allow you to send mail from here; it is not recognised in Australia as a valid stamp. So you cannot take a quantity of Norfolk Island stamps to Australia and use them as valid postage stamps within Australia.

**Ms ELLIS**—You can use them from here to there, obviously.

**Mrs Rodgers**—That is right.

**Ms ELLIS**—In your opinion, does the Australia Post 2899 postcode disadvantage local business? Do you think that omitting the postcode would increase delivery times?



**Mrs Rodgers**—It is a very complex situation. The 2899 postcode was introduced so that mail could be sorted more quickly using the equipment in the international mail exchange in Sydney. That should have enhanced the quickness of the delivery that comes through to Norfolk Island. With all systems it is not necessarily true, but that is what it was designed to do. There is equipment within that organisation that allows that sorting to happen so that it does not have to go into a manual system. If there is no postcode on a letter, then that letter will automatically be discarded by the equipment and that could slow down the process quite a lot. That is not always the case because people at both ends try to do their best when anomalies happen and letters are exited from a piece of equipment.

The 2899 postcode is also complex because it is an international code but it is accepted by many Australian businesses as being an extension of New South Wales. So you have some cases where Norfolk Island is benefited by the 2899 code. We have instances where businesses on Norfolk Island which are trying to do business as international entities, especially as sole agents for products, find that the 2899 code interferes with their ability to be recognised as a separate and distinct entity from Australia.

**Ms ELLIS**—Is there a local opinion as to what the postcode should be?

**Mrs Rodgers**—I have never been told what the postcode should be. Everyone would like to come up with something that works a little better.

**Mr NEVILLE**—Could we have a submission from you on that? It is one thing to say that you would like it; it is another thing to put up a few suggestions or a case.

**Mrs Rodgers**—It could certainly be investigated. It would not be something that we could put together in the time that you are on Norfolk Island.

**Mr NEVILLE**—No, but through you, Chairman, I trust that it would be in order for them to send their submission to the secretariat of the committee.

**CHAIR**—Absolutely.

**Ms ELLIS**—I would like to make reference to the Grants Commission inquiry that was held in 1997. In that inquiry it was pointed out that the abolition of airmail had left only express post and surface mail and that, because of transportation problems, express post cannot reach Norfolk Island by the next day even though the rate charged is the next day delivery charge and surface mail can take up to six weeks to arrive. Should Australia Post, in your opinion, try to re-establish the airmail prices for parcels to Norfolk Island?

**Mrs Rodgers**—I think it would be beneficial for there to be an airmail parcel rate from Australia to Norfolk Island. This has been complicated with express post because most of the Australia Post branches, especially since they have become franchise opera-

tors, do not understand that there is no airmail parcel rate to Norfolk Island. In many cases they are using a New South Wales rate and charging people for airmail. Because there is no airmail service and because it is not express post, quite often that parcel will come by surface mail. That matter has to be addressed from both sides. It would be advantageous for Norfolk Island to have an air parcel rate. Australia Post also needs to have a communication that deals with Norfolk Island so that their franchise operators and their post office operators understand where we are.

**Ms ELLIS**—I think we have alluded to this already, but in the submission there is a reference that relations with Australia Post are a bit strained. Can you explain to the committee why that would be the case?

**Mrs Rodgers**—Australia Post and Norfolk Post have a very good relationship and we do go out of our way to be of assistance to each other. Australia Post have been terrific in many cases where we have had difficulties with mail, mostly due to weather, when mail has had to be off-loaded in order for aircraft to take on extra fuel. They have been very helpful in rerouting mail through Brisbane to come across on a different aircraft and they have made other provisions that have been of assistance.

There were some difficulties back in 1993-94 when there were some submissions made between the government and Australia Post and at the time that certainly made life a little difficult, and that was one of the reasons why we ended up with a memorandum of understanding. The memorandum of understanding says that we know what our playing field is, but unfortunately from time to time it takes away our ability to get on and be cooperative outside those boundaries. But on the whole the relationship between Norfolk Post and Australia Post is a good one. It is complicated by the fact that Australia Post personnel are often much more mobile than Norfolk Post personnel. If we do not have a difficulty for 12 or 18 months, we often find, when we make contact, that our personal contact has moved to another department or taken early retirement and we have to re-establish contact at that level.

**Ms ELLIS**—Can I quickly make reference to philatelic sales. Australia Post is currently changing its arrangements for philatelic sales, including those for Norfolk Island products. Do you have any comments on those proposed changes?

**Mrs Rodgers**—I can understand what Australian Post is doing because it has to operate as a profitable enterprise. Maintaining a number of philatelic counters around Australia is obviously a costly exercise. The lack of personal contact will not serve the collector market terribly well. Also, the fact that they are adding a surcharge for people with standing orders or for any orders to be fulfilled will cause some collectors to drop out of the market. That is true not only for Norfolk Island collectors but right across the board. We are trying to protect and service our collector market by appointing other agents within Australia who are major dealers who can then continue the personal service and provide our products at face value or with a minimal surcharge for the handling of

orders.

**Ms ELLIS**—Are you saying that they are then going to be selling your products on your behalf at a higher fee on the mainland?

**Mrs Rodgers**—Yes. Australia Post gets a 30 per cent commission on stamps that they purchase from Norfolk Island to go through their philatelic bureau. They are now proposing to no longer have philatelic counters. Everything will be done by direct mail. They will charge a 25 per cent surcharge to anyone buying Norfolk Island stamps, or any other country's stamps, for the fulfilment of that order. So the order will be filled at face value plus 25 per cent.

We have other dealers in Australia that we have had for a number of years and we offer them a commission structure. Because they are smaller operators and they are in private enterprise, most of them can offer our products at face value or maybe with a minimal surcharge of less than five per cent to the collectors who are going to have their orders fulfilled that way.

**Mr NEVILLE**—Just on that point, you say they are going to charge a 25 per cent surcharge to sell. Presumably that applies to the Antarctic, Cocos and Christmas as well?

**Mrs Rodgers**—That is my understanding.

**Mr NEVILLE**—But are they still changing you the 30 per cent commission or are they charging the 25 plus the 30 per cent—55 per cent?

**Mrs Rodgers**—They do not charge us. If we sell them \$1,000 worth of stamps, they get a 30 per cent commission on that.

**Mr NEVILLE**—They are going to put 25 per cent on top of that?

**Mrs Rodgers**—They are going to put 25 per cent on top of the face value.

**Mr NEVILLE**—Mr Chair, we should refer to that in our report.

**Ms ELLIS**—So the 30 per cent stays in and the 25 as well? That is what you are saying.

**Mrs Rodgers**—They get 30 per cent from us. So, if they buy \$1,000 worth of stamps, they are only charged \$700. If a dealer buys \$1,000 worth of stamps, they are charged \$1,000 plus a 25 per cent surcharge.

**Mr NEHL**—That is if they buy from Australia Post?

**Mrs Rodgers**—That is correct. If they buy directly from us, they get it at face value. If they buy from a dealer in Australia who has an agency agreement with us, then they will buy at whatever that dealer offers. Normally, for our dealers, that is face value and maybe a handling charge of 50c or \$1 to cover their mailing charges.

**Mr NEVILLE**—At what price do you sell to a private dealer?

**Mrs Rodgers**—A private collector who buys less than \$500 is charged face value and the mailing of that order is included in that face value. If they buy more than \$500, they get a 25 per cent discount because we then classify them as almost a dealer.

**Mr NEVILLE**—You say most of those only charge a minimal—

**Mrs Rodgers**—That is right. It will vary depending on whether they have to send things by registered post, the size of a consignment, et cetera. But most of them will sell our products at face value. That is what we try to encourage.

**Mr NEVILLE**—Are you saying all the philatelic counters are being wiped, even in the capital cities?

**Mrs Rodgers**—I believe so.

**Mr NEHL**—Just for the accuracy of the record, Mr Neville alluded to Antarctic stamps: there are none.

**Mr NEVILLE**—Since when?

**Mr NEHL**—There has never been.

**Mr NEVILLE**—Yes, there has.

**Mr NEHL**—No, there are no Antarctic stamps issued. They use Australia Post stamps.

**Senator LIGHTFOOT**—Are the letters from Australia to here and vice versa classified as being part of New South Wales?

**Mrs Rodgers**—No, they are not. The 2899 postcode is a code that was proposed by Australia Post, so it goes through the international mail exchange in Sydney. It is an international code. So products coming from Australia to Norfolk Island are handled as international.

**Senator LIGHTFOOT**—But they are still charged at the rate of 45c?

**Mrs Rodgers**—That is right.

**Senator LIGHTFOOT**—And going from here?

**Mrs Rodgers**—Going from here we charge identical rates as recognised by Australia Post. So from here to Australia is 45c. It is the same thing from here to New Zealand—75c, which is the identical letter rate as that from Australia to New Zealand.

**Senator LIGHTFOOT**—Would you say that is a fairly generous Australia Post rate—45c to Norfolk Island?

**Mrs Rodgers**—I think it works well and I think it serves both communities well.

**Senator LIGHTFOOT**—Yes. There are no problems then with respect to ordinary mail?

**Mrs Rodgers**—No.

**Senator LIGHTFOOT**—That invariably comes by air?

**Mrs Rodgers**—Almost without exception it comes by air. There are occasional difficulties where large non-standard letters may come by surface mail, and it really depends on sorting at the time. The bulk of those things is still carried by air. It is part of the flexible agreement that we have between Australia Post and ourselves that, as long as the volume that is coming across is reasonable, they will try to send as much by air as possible in order that we have a good service.

**Senator LIGHTFOOT**—That normally takes 24 hours or longer?

**Mrs Rodgers**—You should work on at least 48 hours. If you are looking at a letter from Queensland it will have to go to Sydney through the international mail exchange and then take the next plane across to here. So you would be looking at 48 hours.

**Senator LIGHTFOOT**—What is the usual time difference between when it is delivered here, or when the aircraft discharges it, and when you get it into the letterboxes here?

**Mrs Rodgers**—Normally about three hours. That can be a little longer. If we have flights coming in at night then the mail is collected and passed through customs that evening, and it is sorted first thing in the morning by staff starting at 8 o'clock in the morning. It should be in most people's letterboxes by 10 or 11 o'clock.

**Senator LIGHTFOOT**—So three hours after customs obtain it?

**Mrs Rodgers**—That is an automatic thing that comes through. If we don't have post office staff at the airport for some of the flights that are at later hours, customs will collect the mail and document it. We share the same building, so there is no problem then in terms of collection having to go to another depot in order to collect that mail. It is waiting for the staff when they get in in the morning.

**Senator LIGHTFOOT**—And there are no complaints about that service?

**Mrs Rodgers**—Very minimal.

**Senator LIGHTFOOT**—What's the difference, then, between airmail and Express Post?

**Mrs Rodgers**—We don't have from Australia an airmail parcel service. If someone wishes to send a parcel to Norfolk Island from Australia and guarantee that it comes via air carriage, it will have to be sent Express Post.

**Senator LIGHTFOOT**—Which means?

**Mrs Rodgers**—It is a higher rate of charge.

**Senator LIGHTFOOT**—But it is airmail?

**Mrs Rodgers**—But it is guaranteed airmail. The problem with Express Post is that it is a guaranteed next day delivery within Australia. It's not a guaranteed next day delivery to Norfolk Island because we are outside of the Australian network.

**Mr NEHL**—It is not guaranteed next day in Australia anyway.

**Mrs Rodgers**—That's right, in some regional areas. We work under those same protocols.

**Senator LIGHTFOOT**—Do you think it should be pointed out that there are areas within its jurisdiction that are not next day delivery?

**Mrs Rodgers**—I think Australia Post has made it as obvious as possible in the documentation that it puts out to post offices and to businesses. In any of these things people don't always read the manual. They make the assumption because it says 'next day service' in big print and they don't read those areas where it is not guaranteed. I think Australia Post has done as much as they can to make people aware.

**Senator LIGHTFOOT**—Was that brought about by the allegations that I have had to put to me that there were truck tyres and batteries coming through Express Post? Was that part of it?

**Mrs Rodgers**—They certainly weren't coming through Express Post. They were coming airmail. I can't comment as to the extent that that caused a problem. I wasn't in the postal service at the time. I would have to look back through.

**Senator LIGHTFOOT**—That's okay. I thought you may have had some experience of it. So are both those systems, the airmail system and Express Post, working sufficiently well now?

**Mrs Rodgers**—It certainly has improved since its introduction. Given time, most people learn the protocols. Certainly the volume of Express Post has increased coming across from Australia, which says that both businesses here and post offices in Australia are starting to understand the system. Most people here that want something in an urgent manner will specify in their facsimiles when they are ordering products that it must be sent Express Post. So the system is working better.

**Senator LIGHTFOOT**—But there is still room for improvement?

**Mrs Rodgers**—There is still room for improvement.

**Senator LIGHTFOOT**—What about the comparative cost from New Zealand to Norfolk Island? How does that compare with Express Post and with airmail?

**Mrs Rodgers**—It is hard to compare because New Zealand doesn't have an Express Post system. They have an airmail system. We have two flights a week that come in from New Zealand, one on a Thursday and one on a weekend. So the service is always going to be a little slower in terms of comparing five to seven services from Australia with three services from New Zealand in a given week, of which two services are on a weekend. It really equates in terms of business turnaround to two mail deliveries a week.

**Senator LIGHTFOOT**—So given comparative goods, what percentage are you able to say comes from Australia as opposed to New Zealand?

**Mrs Rodgers**—I cannot give you exact percentages, but it is my understanding that between 70 and 75 per cent of our mail comes from Australia.

**Senator LIGHTFOOT**—That would include commercial goods through both express and air mail?

**Mrs Rodgers**—That is correct.

**Senator LIGHTFOOT**—So that does not present a great deal of problem to Australian suppliers of spare parts, et cetera to Norfolk Island, does it?

**Mrs Rodgers**—No, where we get into difficulties is in areas outside of the postal services. It is where businesses have arrangements with Australian couriers that we end up having difficulties because those courier services do not extend to Norfolk Island. There is often monumental confusion as to where things have gone through courier services. We tend to use the mail service. It tends to be more reliable.

**Senator LIGHTFOOT**—Do you see an appreciable diminution in revenues as a result of the introduction of email to Norfolk Island?

**Mrs Rodgers**—No, I do not because I think people will always want to have agreements and other correspondence in writing for legal reasons and for emotional reasons. We have not seen too much diminution of revenue from the introduction of facsimiles. I expect that email will have some impact, but it will not have a huge impact. The other thing is that people are looking to send other sorts of goods through the mail, so at the end of the day there will always be some solid percentage of revenue that will go through the mail service.

**Senator LIGHTFOOT**—Do you find of recent times that with an increase in goods coming from overseas—New Zealand and Australia I imagine are the main suppliers—and with more Customs services required for one reason or another, either the Customs Service may impede the delivery of goods or alternatively the Customs Service may not be adequately staffed?

**Mrs Rodgers**—The Customs Service seems to work particularly well with the mail service. We do not see that there are any difficulties. There is always a slowing down of the service when we have a ship in because a ship will be carrying between 100 and 150 bags of mail whereas on a plane you are going to be having five to 20 bags of mail, so there is a volume consideration there. It does not appear to be causing difficulties at all in terms of the speed of throughput.

**Senator LIGHTFOOT**—What about goods of a prohibited nature that should not be imported into Norfolk Island or go via Norfolk Island to Australia or via Australia to Norfolk Island? Are there any of those types of goods that are intercepted by Customs? If so, what is the frequency of them? It is not a question you should answer, but you can if you wish.

**Mrs Rodgers**—I do not have the information. It would be something that I would need to talk to the Collector of Customs about.

**Senator LIGHTFOOT**—Because it is handled by your postal service, would you be kind enough to see what, if any, of those goods are intercepted, the frequency of the interceptions and the specific types of goods that are intercepted, both going through Norfolk Island and having a final destination of Norfolk Island?



**Mrs Rodgers**—Yes.

**Senator LIGHTFOOT**—I notice that express post, contrary to what its name implies, often takes from one to two weeks to get to Norfolk Island; is that correct?

**Mrs Rodgers**—That would be an exception rather than the rule. Certainly with the frequency, the size and the number of parcels that we are getting by express post that would be very much the exception. There are occasions where things have gone astray. That is not a problem that is unique to Norfolk Island. The tracking system for express post is a little more difficult than registered post obviously. Sometimes when people are expecting things by express post, on those rare occasions when they do not come across within two to three days there is some difficulty in tracking the item down, but that is a problem that exists throughout Australia Post because of the style of delivery service that it is.

**Senator LIGHTFOOT**—Thank you, Mrs Rogers.

**Mr NEHL**—From what you have said, the postal system is working very well.

**Mrs Rodgers**—I believe so.

**Mr NEHL**—We were told yesterday of one instance where a computer part has been held up by Australian Customs in Brisbane for three months. This, we think, is not very satisfactory. Do you have much evidence of Australian Customs creating problems for the flow of postal items from Australia?

**Mrs Rodgers**—We have very few instances where we have a difficulty there. Obviously, there are some cases that happen from time to time. On the whole, Australian Customs expedite our mail quite promptly, so it would be an exception rather than a rule. But it would certainly bear investigating.

**Mr NEVILLE**—You are saying that the mail roughly reflects the number of tourists: about 75 per cent from Australia and 25 per cent or so from New Zealand.

**Mrs Rodgers**—Very much so.

**Mr NEVILLE**—For the Australian component of that, do you know how much comes from Queensland or New South Wales? Are they the two main areas?

**Mrs Rodgers**—I would not be able to give you that information. I would have to go back through Australia Post to gain it.

**Mr NEVILLE**—I think it is a bit strange that your mail has to go through Sydney when you have very good air services to Brisbane. Why wouldn't you also have mail

direct out of Brisbane?

**Mrs Rodgers**—That is really a question for Australia Post. When the memorandum of understanding was put together in 1994, Australia Post believed that Norfolk Island would be better serviced by having a central handling facility and that that handling facility is best to be done out of the international mail exchange at Sydney. Over time I would like to continue discussions with Australia Post so that we can be serviced out of both the Brisbane international mail exchange and the Sydney mail exchange.

**Mr NEVILLE**—That would speed things up considerably, wouldn't it?

**Mrs Rodgers**—It would speed certain things up considerably. I am not sure, but I would suspect that it would be tied up very much in the postcode arrangement.

**Mr NEVILLE**—I would like to see that noted in the report, Mr Chairman.

**Mrs Rodgers**—It certainly needs to be progressed through there, but with a seven day a week service out of Sydney we are still getting fairly prompt service.

**Mr NEVILLE**—Does Norfolk Post or the government have any policy on private mail deliverers servicing the island?

**Mrs Rodgers**—We do not have private mail deliverers.

**Mr NEVILLE**—What about the airlines themselves? You can send a parcel around Australia by Flight West if you want to. Can you send a parcel or a package from, say, Brisbane to Norfolk Island by Flight West if you want to?

**Mrs Rodgers**—I do not have information on doing that.

**Mr NEVILLE**—There is no government policy against it?

**Mrs Rodgers**—No, and if you want to send items outside of the mail system you can do it through the freight services that operate here through both Air New Zealand and through Vincent Air Freight Services, which are aligned with Norfolk Jet Express. They will send products directly from Norfolk Island to, say, Brisbane.

**Mr NEVILLE**—There is no government policy against it?

**Mrs Rodgers**—There is no government policy.

**Mr NEVILLE**—Having regard to the fact that Australia Post is about to go through some form of competition policy—it is still being debated by the parliament, but Australia Post itself has put up a suggestion to government where it would be prepared to

sacrifice part of its exclusivity—would it not be a good idea for the government to negotiate with Senator Alston that any new players coming into the field must respect the needs of the territories, that that be a covenant on any private operators who are going to participate in the mail services?

**Mr Robertson**—It would be something we would certainly take up with the Australian government. Our initial notification of your coming here was through an advert appearing in a paper, which reflects a little lack of communication. Some of the things that you are saying now we have not been aware of or made aware of. Perhaps that and communication systems that we are trying to improve might improve from both sides.

**Mr NEVILLE**—Sure.

**Mr NEHL**—It is not as though you were not being communicated with specifically. The process that is followed by this committee and by all federal parliamentary committees is exactly the same. No consultation goes on with the state governments or anything like that. It is exactly the same.

**Mr Robertson**—There just seems to be a surprise element that comes into the whole thing.

**CHAIR**—Thank you for your attendance today for the well over two hours that we have kept you here. If there are any other matters that the committee need to follow up, our secretary will write to you and let you know. A copy of the transcript will be sent to you individually for changes that need to be made before they are finalised.

**Mr NEHL**—Could I just add that if you think of something in the very near future that you omitted to say do not hesitate to send it on to us.

[11.19 a.m.]

**AYTON, Dr Jeffrey Malcolm, Government Medical Officer, Norfolk Island Hospital, PO Box 151, Norfolk Island**

**WEBB, Mrs Ann Valerie, Director, Norfolk Island Hospital, PO Box 151, Norfolk Island**

**CHAIR**—Welcome. We have before us your submission, and a very good one it is too. Are there any alterations or additional comments you would like to make?

**Mrs Webb**—I would like to say I am here to represent the community in regard to health. Since putting in that submission, we have got Internet on the island, so the hospital has access to it if we want to link up.

**CHAIR**—Do you have a short opening statement?

**Mrs Webb**—The communications systems on the island have served us well over the years, however we have an opportunity to advance our communications. We want the people of Norfolk Island to realise that, as representatives of the hospital, we are aware that there are very exciting advances in communication. We want to be a part of them, rather than forgotten. We would like to be at the forefront of any advances in communication, whether it is Internet, email or using such services as teleradiology, telemedicine—as was mentioned—and teleconferencing.

**CHAIR**—For our benefit, could you briefly describe the hospital to us—the number of beds and its full activities?

**Mrs Webb**—It is a 27-bed hospital. We have all services: haemodialysis, midwifery, dental. All patients have to go through the hospital to see a doctor. There is no private practice on Norfolk Island; we are the only health care facility on the island. Therefore, we provide everything in the one space. We have theatre, we have visiting surgeons who come once every six weeks. We provide X-ray, pathology, general care, geriatric care, and acute and chronic surgical care. We are the only health provider.

**Mr NEHL**—Do you come under the Australian Medicare umbrella?

**Mrs Webb**—No, not at all.

**Mr NEHL**—So it is totally provided by the Norfolk Island government?

**Mrs Webb**—It is a fee-for-service situation; people have to pay.

**CHAIR**—Do they have access to private health insurance?

**Mrs Webb**—There are a couple of health insurances that can cover people here, but, if you are in MBF, you have to be in the top cover. There is a local insurance, but, ultimately, the person does pay.

**Ms ELLIS**—I would like to ask at the outset: what communications services do you think should be improved in order to meet the needs of the hospital?

**Mrs Webb**—Express post has already been mentioned. It is a real problem for us if we want to send away X-rays. As we have said in the submission, it can take weeks to get a report, which means that we cannot provide our patients with the service we wish to provide. We use a lot of faxes. Telephone, of course, is the most direct form of communication. We need to access experts on a regular basis. Our isolation is absolute. We need communications; we cannot live without it. Of course we would like to be at the forefront of all kinds of telemedicine; remote localities are embracing it—you have to. You have to provide a service to your community, and that is what we feel we should be doing.

**Ms ELLIS**—How far down the road have you gone in exploring telemedicine connection possibilities for the future?

**Mrs Webb**—I have currently got several packages being put together with regard to teleradiology—the sending of X-rays, ultrasounds, photos, things like that. We could set up a teleradiology link as long as we can get the link through the communications system for between \$15,000 and \$20,000. If we wanted to advance into telemedicine and teleconferencing, it would take another \$80,000. But we have access to a mainland major hospital who will be our receiving station; they have offered to serve us free of charge.

**Ms ELLIS**—Which hospital is that?

**Mrs Webb**—I am not sure if I am privy to that information.

**Ms ELLIS**—Okay, fine.

**Mr NEVILLE**—Is that one or several?

**Mrs Webb**—One at the moment.

**Ms ELLIS**—So you are saying that, if you can get the link, for \$20,000 you could connect through to a major hospital that you have negotiated with already?

**Mrs Webb**—Yes, that is right.

**Ms ELLIS**—What is the problem in getting the link?

**Mrs Webb**—Probably investigating the cost of the link and the money; it all comes down to dollars and cents.

**Ms ELLIS**—If you had the money, is the technology there today so you could plug it in tomorrow?

**Mrs Webb**—If we could import it and we can buy the technology. I would have to check with Telecom here whether we can actually access it from here. Our concern with their submission is that maybe there will be a change in the linkage from Norfolk Island to Australia in a couple of years. If we were going to go to the expense of linking into this, we would have to have a guarantee that it is not going to be cut off in two years time. So we are ready to go ahead with this, because we believe it is a need on Norfolk Island. In the last 11 months we have sent 225 people off island for second opinions.

**Mr NEVILLE**—How many?

**Ms ELLIS**—You have sent 225 people off island. In what time?

**Mrs Webb**—In 11 months. If we can link with the experts directly, we believe that it will cut the cost to the people quite considerably. If you consider that everyone who goes off island has to pay an air fare and accommodation and they lose wages, it is an expensive exercise to send people off for a second opinion.

**Ms ELLIS**—Can I mention as an aside that I have been involved in another committee inquiry to do with telemedicine. This committee might undertake to make sure that you get a copy of the report of that committee as well. An instance given to us was of King Island off the Victorian coast where telemedicine was in fact used to avoid the transportation of a patient whom they thought had been badly cut. They thought that microfine surgery would be required and they were ready to put the patient on a plane. Instead, they connected through their telemedicine link to find that it was not necessary at all. So there were enormous savings to the health system, let alone the individual.

Related to telemedicine linking comes teleconferencing for further education of the professionals in the field and the whole enhancement of the services once telemedicine comes on stream. What access, if any, do you have at the moment to teleconferencing for further education of your professionals here, be they nursing staff up? Do you have that at all at the moment?

**Dr Ayton**—Very little. As you know there is the cost of the telephone call from Norfolk to Australia, which is a fair cost. Most people undertaking postgraduate study or continuing education actually communicate with their tutors via facsimile which is cheaper. I know that in the mainland states you would have a teletutorial or something like that, which is a prohibitive cost to students or professionals here. With the access to Internet that will change I expect. There can be discussions via the Internet which would

be a cheaper way to go.

**Ms ELLIS**—Would it be fair to say that the hospital has a proactive policy towards the advancement and development of better and further using this technology as it comes on stream? It is on stream actually.

**Mrs Webb**—It is something we have to realise is important, because ultimately we are here for the people and, if we cannot provide a most up-to-date service, we are lacking in our responsibility. So, yes, we are very proactive.

**Ms ELLIS**—To what degree do you have knowledge of how isolated mainland hospitals operate in relation to communications and the benefit thereof, and how do you believe that your hospital rates in comparison?

**Dr Ayton**—I have worked in rural Victoria, in the Antarctic and in the United Kingdom and viewed a lot of rural remote medical provision. Most mainland country areas and rural areas are on the verge of this technology, as we are. I know in Victoria they are setting up teleradiology links and the use of those resources have come about in the last 12 to 18 months. They have better access to evacuation with road and air transport, and the distances and costs are less than an air flight from Norfolk Island. In the Antarctic I used the satellite systems in 1992.

**Ms ELLIS**—As I said a moment ago, the committee will make available a copy of that report. Can I take the liberty of pointing out that in our inquiry we also found a number of private institutions, as well as large hospitals, are making very good use of fine technology in terms of telemedicine and in some cases they had been actively involved in some pilot programs to use in the field so that they could further and better develop what they are doing.

There may be some innovative or lateral thinking ways in which Norfolk Island Hospital is able to explore ways of linking in to those sorts of developments. A lot of that information is in that report. There is an enormous level of exploration and development going on which may be right up your alley.

**Mrs Webb**—We are very appreciative of any kind of information we can get because we are right at the beginning of it.

**Ms ELLIS**—Absolutely.

**Mrs Webb**—So we want to make sure we do it properly when we do it.

**Ms ELLIS**—You are a perfect example of where it would be used to huge advantage, as you obviously are aware.

**CHAIR**—Dr Ayton, I must say we need hundreds more like you, given you just told us you have been to the Antarctic and rural Victoria and now you are here. Out of interest, as a sideline, what is your background? Have you come from the rural sector?

**Dr Ayton**—No, I was born and bred in Melbourne. I trained at Royal Melbourne Hospital, and Geelong Hospital as well. I dreamed of going to the Antarctic. I went to the Antarctic and got all the skills which a rural and remote general practitioner required. I enjoyed my time there. I then moved on and got more skills in England. I returned to country Victoria and then came over to Norfolk.

**CHAIR**—Do you think one of the answers to getting doctors into the remote areas is that initial stage of training them out there?

**Ms ELLIS**—Send them all to the Antarctic.

**CHAIR**—Yes, the Antarctic perhaps.

**Dr Ayton**—It is difficult to recruit doctors with the skills these days. It is difficult to get doctors to go to the Antarctic. You need a broad range of skills. It is difficult. The same skills are required here. My predecessor is actually down at Macquarie Island at the moment. The same sorts of faces go to the same sorts of jobs. He was out on Cocos and Christmas.

**CHAIR**—You are on contract here, obviously, are you?

**Dr Ayton**—Yes.

**CHAIR**—Okay. That was just out of interest.

**Senator LIGHTFOOT**—Good morning, Mrs Webb and Dr Ayton. What plans do you have for any evacuation that may be caused by air disasters or shipping disasters here?

**Mrs Webb**—I am the health care coordinator for emergency management on Norfolk Island. We have plans within the hospital and I have a plan that is island-wide. So we have some plans. We have disaster emergency plans. They are accessible within the hospital.

**Senator LIGHTFOOT**—Do you practise those at all or do they just exist in theory?

**Mrs Webb**—We practised it just recently, yes. It was an interesting exercise.

**Senator LIGHTFOOT**—Do you have alternative evacuation routes to Australia or to New Zealand or do you have both? Do you have some other method of evacuation in



the case of, say, severe burns or something of that nature?

**Dr Ayton**—Basically, our medical problems fall into three categories: those that we can definitely deal with here; those that we definitely cannot deal with here, and we know that we cannot; and those in a grey area. Problems like the one that you referred to—severe burns—we would evacuate to the easiest place to get to. If it is not such a severe injury, we take into consideration where their relatives are, where accommodation is available and what flights are available. So some people would choose to go to New Zealand, if the case can wait for the two flights. If it is a severe injury, we can get people on a scheduled commercial flight, but most of the time a severe injury is inappropriate on a scheduled commercial flight. There are two full-time doctors here. We do not have the spare medical capacity to carry those people. We can organise a private charter facility. Often, tourists who are severely injured or medically incapacitated are evacuated via private charter.

**Senator LIGHTFOOT**—Where would that charter come from?

**Dr Ayton**—Generally Sydney or Brisbane.

**Senator LIGHTFOOT**—That would come from and go back to Sydney?

**Dr Ayton**—Correct. The Royal Australian Air Force has an agreement to provide serious medical evacuation for life-threatening illness if all other avenues are exhausted.

**Senator LIGHTFOOT**—Are you satisfied with the cooperation of the federal government, the state governments and the RAAF with respect to that?

**Dr Ayton**—Yes, very satisfied. The RAAF provide an excellent service. If available, and if the situation is life threatening and we have no other alternative, they can get here within about six hours of being called. We do have mainland teleconferences with the evacuation experts of consultants and professors in the specialty we deal with and the RAAF doctors and logistic planners, and they provide an excellent service.

**Senator LIGHTFOOT**—Are your communications generally adequate so that they do not impede evacuation or treatment?

**Dr Ayton**—In that circumstance most of our communications are via telephone and fax. With the advent of the newer technologies, we are able to send over an X-ray of, say, a severe fracture and they say, 'You can manage that there. This is what you do,' and they hold our hand or advise us and say, 'No, that definitely needs to come; they can go on a commercial flight,' or, 'No, they can come via the RAAF.' So, with those technologies, we are able to sort out the grey areas with patients where we cannot decide and we need a little help from the specialists and the consultants.

**Senator LIGHTFOOT**—The ANZCAN cable was ruptured at Bondi a couple of years ago. What alternative is there to that with respect to communication to Australia?

**Dr Ayton**—I am not totally familiar with the scenario, but I expect you are asking about an alternative if our normal telecommunications are totally isolated. I know of the INMARSAT systems that can be utilised on the island, and I am aware that the emergency management on Norfolk has an INMARSAT satellite telephone.

**Senator LIGHTFOOT**—And that is satisfactory as an alternative?

**Mrs Webb**—I think they are using it as an alternative. I cannot comment on what the communications people believe it to be.

**Senator LIGHTFOOT**—Perhaps it is something that the committee should find out, Mr Chairman—the alternative method of communications in the event of a breakdown in the ANZCAN cable. I will move on. Is there a program of inoculation here?

**Mrs Webb**—Yes, we have a very good inoculation rate on the island. We have a baby health sister who ensures that the children are kept up to date with their immunisation. We do have several parents who refuse to have their children immunised, but it is not from lack of our trying to persuade them otherwise. So, yes, with regard to community health, we are doing very well.

**Senator LIGHTFOOT**—And, once again, that is at a satisfactory level of cooperation of islanders?

**Mrs Webb**—I think most parents are aware of the worth of immunising their children.

**Mr NEVILLE**—What about adults?

**Mrs Webb**—Adults are immunised as well, yes.

**Mr NEVILLE**—On the mainland it dropped as low as 48 per cent and caused a bit of a stir about 12 or 18 months ago. You have addressed that problem here as well?

**Dr Ayton**—I expect the immunisation rates of the under fives are in the 90 per cent range on Norfolk Island. The baby health sister is actually doing statistics on that currently and we should know definitely in the next six months. She is going to a conference shortly to help with that.

**Mr NEVILLE**—With so much intensive tourism here from so many countries, are hepatitis B injections given regularly?

**Dr Ayton**—Basically, we follow the immunisation schedules of the Australian government. All newborn babies are offered vaccination against hepatitis B as well as having exactly the same immunisation schedule. Adults are vaccinated on an occupational risk basis and opportunistically.

**Senator LIGHTFOOT**—Statistically, how does the health on the island compare with Australia? Is it favourable; is it less than favourable?

**Mrs Webb**—Diabetes on the island is running at about three per cent, which is equal to mainland Australia at the moment. We have not done statistical studies to compare. At the moment we are trying to get data together to do things like that.

**Senator LIGHTFOOT**—I am sorry, I can't quite hear.

**Mrs Webb**—We are putting data together at the moment but we do not have the statistics to compare with.

**Senator LIGHTFOOT**—Has any study ever been done in respect of comparative health issues?

**Mrs Webb**—Not that I am aware of.

**Senator LIGHTFOOT**—Dr Ayton, have you ever seen any statistical evidence on this?

**Dr Ayton**—No. There has been an ongoing prevalence study in the past few years which has not been analysed. Much of the data is doubtful. But it is an area of interest of mine, which with adequate resources—

**Senator LIGHTFOOT**—You have inadequate resources? Did you say that?

**Dr Ayton**—With adequate resources and time it is something that needs to be addressed.

**Senator LIGHTFOOT**—Would you see that as something of a priority for the federal government to assist with statistical information and a survey to establish that?

**Dr Ayton**—I think the public health status of the island is a priority of both the Norfolk Island government and the federal government.

**Senator LIGHTFOOT**—Is it something that you would recommend be included in our report?

**Dr Ayton**—With regard to the terms of reference?

**Senator LIGHTFOOT**—With regard to the collation of statistical information to establish longevity, child mortality, et cetera.

**Dr Ayton**—In the communications terms of reference?

**Senator LIGHTFOOT**—Yes. For instance, with telemedicine, which extends right across a wide spectrum of specialist fields now, if there were some enhancement of islander health, by establishing telemedicine across that wide spectrum.

**Dr Ayton**—One way that could be addressed is by initially looking at the number of referrals off island. They have done a study from Mount Isa to Townsville of teleophthalmology, where they look at people's eyes, and they have noted that they have saved 30-odd transfers, which at \$500 each was a saving to the community and a public health advantage. But the whole picture is, of course, important and a prevalence-incidence study at this stage would be helpful and also further down the track.

**Senator LIGHTFOOT**—Have you submitted a budget for telemedicine? Do you intend to submit a telemedicine budget in your budget in the next fiscal year?

**Mrs Webb**—The budget has already been set down for the hospital this year. Within it we budgeted for ultrasonography and things like that. Teleradiology we have not budgeted for per se; it is \$20,000. We see that it is not only the hospital's responsibility but the community's and the people's at large. I think the government has to take some responsibility for providing the health care services.

**Senator LIGHTFOOT**—So the local government should take some responsibility for that in terms of funding?

**Mrs Webb**—We believe so.

**Senator LIGHTFOOT**—Would you consider submitting something of that nature to the Norfolk Island government?

**Mrs Webb**—Definitely.

**Senator LIGHTFOOT**—I think that is all. I thank you very much for your answers.

**Mr NEVILLE**—I would like you to go over the areas in which you are reliant on telecommunications. You say 'for the transfer of X-rays'—what is the terminology?

**Dr Ayton**—Teleradiology.

**Mr NEVILLE**—What about the ophthalmology? Would that be helpful too?

**Dr Ayton**—That would be helpful. In the last 11 months we referred 17 people off for ophthalmology. We have an optometrist on the island and he is very helpful. But teleophthalmology is where you can actually use a video on top of slit lamp apparatus and send that image through the telephone line as a data package. A person at the other end can look and tell you what the diagnosis is. I cannot be everything to everyone; I am an all-rounder and I need to access this.

**Mr NEVILLE**—What sort of money are we looking at there?

**Dr Ayton**—I am not sure of that.

**Mr NEVILLE**—Can you let the committee know that figure?

**Mrs Webb**—I have put a package together for the teleconferencing, which would involve the ophthalmology as well. You are looking at about \$80,000. To set up a teleconferencing room with videos, et cetera and the same kind of cameras—

**Mr NEVILLE**—What is the \$20,000 you mentioned earlier?

**Mrs Webb**—The \$20,000 is for teleradiology. That is for the scanner, computer and software.

**Mr NEVILLE**—So \$100,000 would do the lot. Is that what you are saying?

**Dr Ayton**—You need to take into account that for the teleconferencing and teleophthalmology there is a video transfer and you need a higher-speed data link. I believe the data link is 64 kilobytes per second, but the minimum for interactive telemedicine is, if I am not wrong, 128 or ISDN quality.

**Mrs Webb**—ISDN is preferable.

**Dr Ayton**—And I do not think we currently have that facility.

**Mr NEVILLE**—What is the cost of a RAAF transfer to the mainland?

**Dr Ayton**—Currently it is at no cost to the Norfolk Island government or the Norfolk Island people. It is funded by the federal government.

**Mr NEVILLE**—It seems to me that having some of those electronic facilities could save the Commonwealth a lot of money, and it would be a very practical thing to do. You say you sometimes use other services. Do you use the Flying Doctor out of Brisbane or what?

**Dr Ayton**—Generally they are private concerns—Careflight or AEA International. Most insurance companies have their contracted medical retrieval services that fly in, and they quote around \$18,000 to \$20,000 for a snatch and grab pick-up, but they are limited in their use. If we have a newborn baby or an imminent premature baby, they cannot fit the newborn emergency transport service from Sydney on board, so the RAAF is the only one with the load capacity available to do that.

**Mr NEVILLE**—Do you have a system of visiting specialists?

**Mrs Webb**—Yes, we have. They usually come about every six weeks. We cater for most specialities and a lot of the time they come twice a year. In regard to specialist visits, we are very fortunate in attracting a lot of the best to come here.

**Mr NEVILLE**—Is that on an informal basis?

**Mrs Webb**—No, they use the hospital and they consult from the hospital. We provide the space for them to consult, and if they require a theatre we offer that service as well. They are formally attached to the hospital just in regard to using the rooms.

**Mr NEVILLE**—Did I hear you say you had ultrasound and dialysis?

**Mrs Webb**—We have haemodialysis. We have an old ultrasound machine which we are looking to update.

**Dr Ayton**—The ultrasound machine does not provide film to be able to send for a specialist's review.

**Mr NEVILLE**—What sort of money are you looking at there?

**Mrs Webb**—Most of the ultrasounds we are looking at are priced between \$30,000 to \$50,000.

**Mr NEVILLE**—And that would give you the ability to transmit the image?

**Mrs Webb**—It would give us the quality of image that we would need to transmit, yes.

**Dr Ayton**—Also involved in that is training of our radiographer, who is currently in Newcastle training in ultrasound, but that needs to be an ongoing commitment.

**Mr NEVILLE**—You have a very high proportion of veterans on the island. Are they covered by the Department of Veterans' Affairs benefits?

**Dr Ayton**—Yes.

**Ms ELLIS**—I have a couple of quick follow-up questions from that. In terms of diagnostic services and the possibility of telemedicine helping there, what is available here for breast screening at the moment?

**Dr Ayton**—Currently everyone has to go off island for breast screening. We can provide clinical breast screening, and we have a general surgeon who comes six-monthly to whom we can refer patients. We do not have a mammography machine or a radiographer who can do mammography, so people have to go off island.

**Ms ELLIS**—You mentioned that the ultrasound you are looking at purchasing would be \$20,000 to \$30,000?

**Mrs Webb**—It is \$30,000 to \$50,000.

**Ms ELLIS**—Would it do that sort of diagnostic work?

**Dr Ayton**—No. For mammography you need a mammography machine, which is a separate X-ray machine, with someone to drive it and someone to maintain it.

**Mrs Webb**—Are you looking at doing needle biopsies by ultrasound?

**Ms ELLIS**—If you do not have a mammography machine here, is there another piece of machinery that is available that you could use and you could then transmit the findings for diagnosis and therefore save the trip?

**Dr Ayton**—Not on mammography. It is a separate machine, a stand-alone machine, which costs in the order of \$60,000.

**Mrs Webb**—When you are looking at purchasing ultrasound machines, you can get a very basic one for \$20,000 or you can get a you-beaut talking \$250,000 machine. Norfolk Island does not really justify spending \$250,000. I have no doubt they are the ones that are capable of diagnosing and sending the pictures. You are looking at finding lumps you can use needle biopsies for and things like that. As far as we are aware, the machines that we have looked at are not capable of that.

**Ms ELLIS**—So basically telemedicine is no good for things like breast screening unless—

**Dr Ayton**—I will clarify things. Mammography is an X-ray modality. Ultrasound is one of the systems that can confirm or deny that this is a solid lump or a cystic lump. So ultrasound is the second modality. Mammography is an X-ray machine and it is in the order of \$60,000. We could set up a mammography unit here with funding and resourcing, training of staff and maintenance of the machine. We would need to send the mammograms off to specialists to be reviewed. Teleradiography would be possible. However,

mammography requires the finest resolution of X-rays, and that is a difficulty and that is a big cost. Mammography is not an urgent thing, so you could send that by express post.

**Ms ELLIS**—How do your pathology diagnostic services work here?

**Dr Ayton**—We have a comprehensive laboratory covering the modalities of haematology, biochemistry, microbiology and a blood bank. All complex tests that are not possible here are sent on a weekly courier to Prince of Wales Hospital.

**Ms ELLIS**—And that connection is not a problem?

**Dr Ayton**—It has been a difficulty in the past. I mentioned in my submission that sometimes the specimens are returned to Norfolk undelivered and subsequently they are on ice and cold and subsequently need re-collection.

**Ms ELLIS**—What do you envisage would be needed to improve that particular service?

**Dr Ayton**—It depends on the plane, on the courier service, and on Customs and Quarantine at the other end. Some of the difficulties have been with Quarantine. Because it is of human origin, they want reassurance that it does not contain nasty—

**Ms ELLIS**—The plague.

**Dr Ayton**—Yes, and sometimes it gets stuck in quarantine.

**Mr NEVILLE**—Surely not. Surely that has got to go to a laboratory immediately. It is a greater risk letting it go off the ice in Customs that it is to send it to the hospital, surely.

**Dr Ayton**—We have had some episodes over the last six months. The service has improved, but there are documented episodes where the specimens are returned here.

**Ms ELLIS**—If the details of those instances are not in your submission and you want to add them as a subsequent annexe to your submission, I am sure that the committee would be happy to take more detail and make comment on that lack of communication requirement.

**CHAIR**—Absolutely. Equally, you have mentioned that twice in the last four months X-rays have taken three to four weeks to be received at the Australian end. Is that Prince of Wales Hospital?

**Dr Ayton**—No, both of those were to private specialists.



**CHAIR**—In Sydney?

**Dr Ayton**—One was Brisbane and one was Sydney.

**CHAIR**—Did you get to the bottom of why it would take three or four weeks? Who was at fault?

**Dr Ayton**—At the Brisbane end it was stuck in a post office. They are non-standard articles, so that is a difficulty. At the Brisbane end it was stuck in the post office; it was sent to a GPO box and it was behind—

**CHAIR**—So that is not the norm?

**Dr Ayton**—It is a difficulty we face and that has been detrimental to our patient care.

**Mrs Webb**—We believe it should not happen at all.

**CHAIR**—That is a very good standard to have. We have heard from your postal services today and our own Australia Post. If anything is coming out of this inquiry it is that there is a line that the postal services, not Norfolk Island's necessarily but probably Australia Post, are not up to standard. That is where the difficulties are showing up. Just to get a line from you, it may not be normal but is it frequent enough? You have had two in four months that would warrant frequency.

**Dr Ayton**—When it affects patient care, it is of interest. Listening to previous speakers, because they are non-standard articles I suspect those X-rays have come back somewhat delayed because they have come back as surface mail.

**Mr NEVILLE**—Were these in flat envelopes?

**Dr Ayton**—Yes, they are 39 by 90 centimetres.

**Mr NEVILLE**—Can they be put in larger cylinders?

**Dr Ayton**—They cannot be rolled or bent.

**Mr NEVILLE**—They cannot be rolled at all, not even into a large cylinder?

**Dr Ayton**—I am not sure if that would alter the standardness of the article.

**Mrs Webb**—They have been damaged before they have got to the place we have been sending them to, which has also been a problem because there are artefacts that should not be there. Therefore, what they are reading is not necessarily what was done.

**Mr NEVILLE**—If you take an envelope like that, when it gets thrown into the freight compartment of a plane it is not going to be held up nicely like this all the way to Brisbane or Sydney. Surely it would be safer in a reasonably big cylinder where it may not be exactly flat but it is not being buffeted in any other way. Surely it would not lose that much resolution in a cylinder.

**Dr Ayton**—That is something we can explore.

**Mr NEVILLE**—The cylinder could be white with a red cross on it or something so that people could not lose it.

**CHAIR**—Is there any identification?

**Dr Ayton**—It says, 'X-rays, do not bend. Urgent. Air mail.'

**Mrs Webb**—Everything.

**Ms ELLIS**—With regard to psych services and counselling services generally, what is available here at the moment?

**Mrs Webb**—We have a psychiatrist who comes twice a year. It is a real need. We see the services of teleconferencing addressing that very well.

**Ms ELLIS**—You probably already realise this, but one of the most successful uses of telemedicine was in fact psych services. They are very much now on the ground and proving unbelievably successful. That would be another little string in the bow of telemedicine appeal.

**Dr Ayton**—That is, again, by video link, so a high speed data link would be the infrastructure required for that. Currently, we do not have that.

**Mr NEVILLE**—In the same field as Ms Ellis was talking about, we talked about X-rays and so on, but what about the receipt of drugs and injections and the like when you need those urgently? Obviously you would not call for them. I imagine you would have to work on a JIT system here because you cannot have every conceivable drug in the hospital refrigerator. When you really do need something quickly, how does the communication system work there—the airlines and so on?

**Mrs Webb**—Most of our drugs come through by air. We put in an order twice a week. If we need something quickly, we usually rely on phoning the distributor direct and getting in contact with the couriers to make sure that it gets to the next plane.

**Mr NEVILLE**—Is that generally fairly good?

**Mrs Webb**—It is usually effective. If we have used the safe hands methods, where we have actually had someone pick it up, put it on the plane and carry it with them, cold packs prove to be a problem. We have a cold pack service for things like insulin that have to be kept at a certain temperature.

**Mr NEVILLE**—Have you ever lost insulin?

**Mrs Webb**—Yes, we have lost cold packs. They have been left sitting on the tarmac. We do have a few problems with things like that.

**Mr NEVILLE**—Could you detail these sorts of things in that same letter?

**Mrs Webb**—We can certainly do that.

**Senator LIGHTFOOT**—What about radioisotopes? Do you do that sort of medicine here or does that go to the mainland?

**Dr Ayton**—No.

**Senator LIGHTFOOT**—My second question was to be how do you get them there, but you obviously do not. They would present a problem, if you did, with some of the transport and irregularity of it.

**Dr Ayton**—Yes.

**CHAIR**—Thank you very much for coming along today. I am sure we could spend more time with you and spread the questions even beyond this inquiry. All of us come from rural and regional electorates, although Annette comes from Canberra. Annette had a lot to do with telemedicine, so we are all very interested in this area. We have to wind it up, but you will be forwarding other information. If we have any more questions, we will get back to you.

[12.03 p.m.]

**WALSH of BRANNAGH, Dr John, Barrister at Law, Watermill Valley, Norfolk Island**

**WOOLLEY, Mr Graeme Rex, PO Box 163, Collinshead Road, Norfolk Island**

**CHAIR**—There are two private submissions before the committee. In what capacity do you appear before the committee?

**Mr Woolley**—I have lived on Norfolk for 34 years. I am an Australian citizen. I am self-employed and I appear in a private capacity.

**Dr Walsh**—I live on Norfolk Island. I have lived here for four years. I am a barrister-at-law and I am appearing as a consumer. I am also an Australian citizen and I am British.

**CHAIR**—Mr Woolley, we do have your submission before us, but if you have any short opening statement you are invited to make it.

**Mr Woolley**—Everything on Norfolk Island—even this inquiry—revolves around politics and money. In 1979 Norfolk Island was promised limited self-government and this was to be reviewed every five years. Unfortunately, a review never took place and I believe that is why Norfolk Island has ended up with the financial problems it has today, and that goes to communications as well.

At the meeting of the Norfolk Island Assembly last week members of our assembly actually stated that to date they had not implemented one recommendation of the Commonwealth grants report of last year.

At that same meeting, members discussed the future for Norfolk Island and its ambition for full self-government and spoke about Norfolk Island taking control of all matters relating to Norfolk Island with the exception of foreign policy and defence. They thought it best for Canberra to handle those matters.

Norfolk Island started off with the promise of limited self-government so they could control their own affairs. Now they obviously want the powers of independence. What I am saying is that, no matter what the outcome of this inquiry, the Norfolk Island government may probably just ignore it as they have done with respect to the grants report and any other report that they do not like. I would like to quote from one of the ministers that we have had, Mr Warwick Smith. He said:

I would like to take this opportunity, however, to reiterate that Norfolk Island is not a "dependent territory" and has no international status independent of Australia. Norfolk Island has been associated

with Australia since 1788 and has been an integral part of the Commonwealth since 1914 when it was accepted as a Territory of the Commonwealth pursuant to section 122 of the Australian Constitution.

Recently, in a letter to our chief minister here on Norfolk Island, he said:

The first issue is Norfolk Island's Constitutional Status. The legal position is that Norfolk Island is a Territory of the Commonwealth of Australia, and an integral part of the Commonwealth of Australia in the same way as the other inhabited External Territories of the Cocos (Keeling) Islands and Christmas Island and as indeed are the Northern Territory and the Australian Capital Territory.

Many members of the Norfolk Island government disagree with the federal minister's view on the legal position of Norfolk Island, and that is what you will find in submissions on anything.

Norfolk Island has no access to toll-free numbers, therefore we lack access to vital information. At many times, the only contact number given is a 1800 number or other toll-free numbers. About 12 or 18 months ago, we had a bankcard stolen and we did not know until Friday night. The banks were closed and the only way we could get that cancelled was by a 1800 number. So we had a little bit of difficulty.

It was very noticeable in the Norfolk Island government submission that they gave the cost of calls from various islands to mainland Australia but conveniently left out the Cocos (Keeling) Islands and Christmas Island. These islands are at a greater distance from Canberra than Norfolk Island yet I believe they pay call costs at STD rates.

It was also noticeable in Mr Bennett's submission that he unfortunately believes that if you do not share the same views as him you are either a malcontent or a minority. Norfolk Island's population consists of 1,356 residents, 345 TEPs and 93 GEPs—giving a total of 1,794 as of 1 June this year.

**Mr NEHL**—Can you tell us what TEPs and GEPs are?

**Mr Woolley**—A TEP is a temporary entry permit holder and a GEP is a general entry permit holder. There are only 1,111 people on our electoral roll. Therefore, 38 per cent of Norfolk's population are refused the right to vote at any election or referendum. These people are a very large minority in this community, and they cannot influence our Norfolk government on any matter, including communications, simply because they are denied the right to vote. For those who do wish to have their views known, they have no option but to go to the Office of the Administrator, federal ministers or department officials who will at least listen to them. The Norfolk Island government is very reluctant on a lot of occasions with those sorts of people.

With respect to pricing—which you probably already have—a 20-minute call from Cocos Island to Canberra at 7 p.m. would cost a maximum of \$3. The same call from

Norfolk Island to Canberra would cost \$30 at the same time. The same call from New Zealand to Norfolk Island would cost \$NZ20. The same call from Norfolk Island to New Zealand would cost \$A40. That is nearly four times the cost—a lot more. Off-peak calls from New Zealand to Norfolk Island by Telstra are NZ78c a minute compared to \$A1.38 a minute the other way.

Telecom is 51c per minute to as low as 46c per minute from New Zealand to Norfolk Island, and Global One is NZ74c per minute compared to \$A1.38 the other way around. On Norfolk, if a person uses Internet International Voice Connect—a call-back service—they can ring Australia from Norfolk Island for \$1.04 per minute compared to the normal \$1.38 per minute.

Like a lot of businesses on Norfolk Island, telecommunications is a monopoly and, because it is a monopoly, they price accordingly. The fact that there is no competition in communications on Norfolk Island is one of the main reasons for the high cost of phone calls. The other reason is that the government uses it as a revenue raiser. Canberra continually tells Norfolk Island that it is an integral part of Australia. If that is the case, why do we not have the same access to communications as the rest of Australia and the same price surveillance and consumer protection laws for the customer? We also have no access to a complaints department or to the ombudsman. We are either part of Australia or we are not. That is all I wanted to say.

**CHAIR**—Dr Walsh, do you have a short statement to make?

**Dr Walsh**—Yes, very briefly. I am sitting at the table with Mr Woolley, as I am a member of the public. I am not part of his joint submission. To clarify things—Mr Woolley knows this, as most people in the room would—I dissociate myself from and disagree with the political comments he made in relation to our constitutional status. When I spoke to members last night and indicated I had some comments to make, they are to do with post and telephones rather than the perceived constitutional position or the perceived inadequacies of any government, whether Australian or Norfolk Island.

There are two or three things I would like to talk about. One is in relation to the post. I have a considerable volume of mail that goes overseas, both out of Norfolk Island and into Norfolk Island, most of it to the United States and the United Kingdom. I have no complaints at all with the service we get from Norfolk Island Post. The mail is handled promptly, goes out promptly and is always sent airmail. My difficulty is incoming mail, particularly from the United States and England. On occasions, I have had important documents sent from the United States marked first-class mail, airmail and priority paid, with stickers all over them, and they have come by surface mail. I have followed this up and discovered that the arrangement Australia Post has with the International Postal Union means that it is airmail until its gets to the country of destination and then it can be surface or airmail, at the option of the post office, once it hits the country.

Because the American authorities have been told that Norfolk Island is part of Australia—and is actually in New South Wales, with a New South Wales postcode—Australia Post, at its option, often takes the view that when an airmail packet, letter or parcel hits Sydney it goes in the sea mail bag to Norfolk Island, even though airmail postage has been paid at the other end.

**CHAIR**—Express.

**Dr Walsh**—Express, airmail, first-class mail, global priority paid—

**CHAIR**—It goes by ship, you are saying.

**Dr Walsh**—It goes by air from the United States to Sydney and from Sydney it can come by air or it can come by sea, depending on the mood of whoever is sorting the mail.

**Mr NEHL**—How often would it come by sea and how often by air? Is there a generalisation?

**Dr Walsh**—It comes by sea about 40 per cent of the time. To overcome this problem, I thought I would be cunning and pretend that we are actually part of New Zealand and I would get some of my mail sent via Australia and some of it sent via New Zealand. If it comes via New Zealand it gets here quicker, but the American postal authorities—and presumably the British too—have been told that Norfolk Island is part of Australia and that it is incorrectly addressed if you put ‘Via New Zealand’ at the bottom of it. Even some of the letters that are marked ‘Norfolk Island via New Zealand’ go via Sydney and can come by sea or air, at the option of Australia Post.

Australia Post, I understand, take the view that what they are doing is not contrary to the arrangements they have with the Universal Postal Union. I, as a consumer, would disagree. Unfortunately, we do not have direct flights from the UK or from the United States here, so all our mail has to go via Auckland or via Sydney or Brisbane.

I also want to comment on two telephone matters that inhibit communication. I too have had a similar experience to Mr Woolley in relation to 800 numbers. I have not had a bankcard stolen, but I note that letters I get from banks, government instrumentalities and local government bodies in Australia—I own some property in Australia, so I still pay taxes over there—invariably have an 800 number or a 1300 number on them. You cannot access the number here either by picking up your telephone or even by asking the local operator to ring the 800 number. We do not have the facilities here. I had the amusing experience of writing to the head office of one of the banks pointing out that I could not respond by telephone to the letter that they had written me because the number was not accessible from Norfolk. They wrote back and said that my letter had been given personal consideration and that, if I rang the writer on 1800 335554, he would solve the problem

for me.

**Mr NEVILLE**—Message received.

**Dr Walsh**—I am not suggesting that one can force Norfolk Island to become part of the 800 and 1300 number system. If it is used in Australia, as the instrumentalities and the commercial operators using these numbers are Australian entities governed by Australian legislation, including the Trade Practices Act, it could be considered, if one wanted to be legalistic, that putting those numbers on letters, knowing that people cannot access them, and sending those letters to Norfolk Island is misleading conduct under the Trade Practices Act. Perhaps it could be suggested that either the numbers are extended here or, if that is not practicable because of lines or whatever, that Australian organisations that write to Norfolk Island put a real telephone number on the letter as well as the 800 number.

There is another thing I would like to mention too. I travel fairly extensively—much more so in the past than I do now. I have been to some strange and obscure countries. I could always ring my office in the United States by picking up a telephone and getting through to a cheery American voice saying, ‘AT&T Direct,’ or whatever phone company I wanted. I can do that from countries where they do not even speak English and from countries that do not have a sophisticated telephone network. One cannot do that from Norfolk Island. There are a number of countries in the world where it is difficult to ring either the United States or the United Kingdom on a direct service. I checked this morning for an up-to-date list of countries. It includes: Afghanistan, Cuba, Laos, Sudan, Tuvalu, the Western Sahara, the People’s Democratic Republic of Yemen and Pitcairn and Norfolk islands. It is rather inhibiting.

The Norfolk Islanders, if I may quote an earlier English sovereign, are an island people. Part of being an island people is that we travel and we go to other countries of the world. It is necessary for us to contact other places if we are in business. That is an inhibiting factor. I do not know whether that is within the parameters of the committee, but it is something that would be terribly useful.

**Ms ELLIS**—Dr Walsh, what representations have you made? I understand Norfolk Island Telecom is an entity of the Norfolk Island government. What representations have you made to them in relation to the comments you just made on telephone communications?

**Dr Walsh**—I have spoken to people at Norfolk Island Telecom. The difficulty appears to be at the Australian end rather than the—

**Ms ELLIS**—Entirely?



**Dr Walsh**—It was indicated to me that it is at the Australian end; the service has not been extended by the Australian bodies.

**Ms ELLIS**—Have they been working to the Australian government or the Australian end of—

**Dr Walsh**—I do not know. I am just a humble consumer in this.

**Ms ELLIS**—That is fine. I am just a humble committee person trying to find who has been talking to whom about it.

**CHAIR**—I am not sure that that is so. Norfolk Telecom actually contract the services of Telstra Australia. They contract all the services that are needed—that they want.

**Ms ELLIS**—That was the purpose of my question.

**Dr Walsh**—I am unaware of what the contractual arrangements are. I just know it is a difficulty; it is one that is experienced by a number of people. There is a free health service in Australia that is obtainable on a 800 number. I know that the service would be used by people on this island but they cannot access it because they cannot get to those numbers.

**Ms ELLIS**—Thank you, Dr Walsh. Thank you, Mr Woolley, for your earlier comments. This may sound like a flippant question, but I do not mean it to be at all. You have made quite a statement about past inquiries and the inadequacy of any response to them, particularly locally. What would you recommend that this committee do in our deliberations to ensure that we see an improvement in communications?

**Mr Woolley**—As I said earlier, no matter what you find here, if the Norfolk Island government does not want to do anything about it nothing will be done.

**Ms ELLIS**—So you cannot suggest anything that we can do?

**Mr Woolley**—We are part of Australia, and I suggest you just implement them. That is the end of the matter.

**Mr NEVILLE**—Mr Woolley, I am very uncomfortable with your evidence because I think that you have stretched the terms of reference of the inquiry a bit much. You are using us as a forum for a political viewpoint. We came here from the minister with some terms of reference. The states of Australia at the time of Federation delegated certain things to the Commonwealth, one of which was telecommunications—tertiary education more recently. So the Commonwealth government has certain responsibilities to the states and by inference to the territories. If a territory, because of longstanding

sovereignty arrangements, choses to hold one of those things to itself, namely, communications or health, it is unfair to use this committee as a vehicle in this inquiry to harass your own government or for that matter the Australian government.

What you could do is write to the minister, Mr Somlyay, and ask that this committee, which has been delegated this job, have a term of reference to look at more acceptable arrangements between the Commonwealth and Norfolk Island. You have a sovereignty here in respect of telecommunications and, as the chairman just said, your Telecom negotiated a deal with Telstra. To the extent that we can facilitate that at the other end by our report, if we can find any fault on the part of Telstra in not being cooperative with Norfolk Island Telecom, we will certainly list that in our report—and we will not spare them, I assure you—but it is unfair to ask us to interfere in the sovereignty of your government by way of this inquiry.

**Mr NEHL**—The House of Representatives Standing Committee on Legal and Constitutional Affairs held an inquiry into the legal regimes of Australia's external territories some years ago—1991, I think. It was in two sections. The first was *Islands in the Sun*, which referred to Norfolk Island and the Indian Ocean territories. The second half, which I participated in, dealt with Antarctica. That might be of interest to everybody.

**Mr Woolley**—I appreciate what you have just said. The reason I said that is that on every occasion I have spoken to the ministers about anything they have said that we do deserve the same rights and privileges as any other state or territory.

**Mr NEVILLE**—I would be the first to uphold that right, except to the extent that your government, because of its unique sovereignty arrangements, has decided to hold certain things to itself. If the Commonwealth recognises that, as it obviously does in relation to telecommunications, health and some other matters, then the ministers like Warwick Smith who have written to you would have been writing with that exclusion clearly in mind.

You do have a unique status. Guernsey and Jersey have a similar status to the extent that they are entitled to a lot of privileges that accrue to British subjects. But to the extent that Jersey and Guernsey have held certain things to themselves, such as the postal service, it is for that government to negotiate with the other government, and nothing that a British minister can say to a Jersey or Guernsey resident has any more status than perhaps one of our ministers might have where your government has decided not to fall in line with what happened at the time of Federation in respect of telecommunications, for example.

**Mr Woolley**—In other words, if this inquiry found that we were lacking in many forms of communications—or some forms—and the Norfolk Island government decided not to do anything about it, that is the end of the matter. Is that what you are saying?

**Mr NEVILLE**—If the fault were at the Australian end—at the Commonwealth end—then this committee could make some very strong recommendations. But I would not think it was the role of this committee to interfere in the internal affairs of Norfolk Island—

**Mr Woolley**—Fair enough.

**Mr NEVILLE**—other than to facilitate better arrangements. We might recommend that the ministers meet more often and things like that, but I do not think we should be interfering with your sovereignty.

**Mr Woolley**—All right.

**Mr NEHL**—I am puzzled by my colleague's continued use of the word 'sovereignty'. It does raise other questions that Mr Woolley has already raised which, it has been suggested, are not germane to the scope of this inquiry. I should not pursue that so I will not.

**Ms ELLIS**—Other witnesses have referred to the toll-free number problem. Could you expand on the points that Norfolk Island's lack of toll-free numbers and the expensive calls overseas are caused by indirect taxes. Do you have a comment on that, or do you want to elaborate further on the points you were making earlier in relation to—

**Mr Woolley**—Just the fact that Norfolk Islanders do not pay personal income tax, so everything the government do is for an indirect tax. The Norfolk Island government have a lot of monopolies on this place, and every monopoly is run as a tax-raising revenue. That is how they do it. In other words, it is quite likely that if they are a million dollars short they will put up the price of fuel, power, telephone calls or whatever. That is what I am saying; they use everything like that as tax revenue.

**Ms ELLIS**—Is there a connection in your mind between that and the lack of access to the toll-free number services?

**Mr Woolley**—Yes, anything that they are not going to make any money out of. The government here is always struggling for money. We are a small community; we lack the funds for a lot of things, and probably that is not as important as upgrading the hospital or the school or something like that.

**Ms ELLIS**—Do you have comments you want to make about the postal service?

**Mr Woolley**—Nothing other than what John Walsh said. I go along with everything he said. Apart from that, we have a pretty good service here on the island. It is not a bad system; it is a cheap system and it is a good system. We just go down there and pick up all our mail.

**Ms ELLIS**—Do you believe that current service standards and costs hamper tourism and business opportunities here, or do you think that there is no implication for tourism and business expansion generally?

**Mr Woolley**—Quite often tourists comment on the cost of telephone calls to this island. I have never heard anything about the postage, other than that mail arrives after they get back to wherever they are going—they post it here, a week later they arrive home and 10 days after that the mail arrives.

**Ms ELLIS**—It is not unique to Norfolk Island.

**Mr Woolley**—Probably not. I do not think that affects it.

**Mr NEVILLE**—I have great sympathy with your core argument about the quality of services; please do not misunderstand my other comments.

**Mr Woolley**—I appreciate that.

**Mr NEVILLE**—I think Australia Post cannot have it both ways. If we recognise your sovereignty, then Mr Walsh's point is valid—that you should have the on-carriage of that high priority mail to the point of destination. Sydney should not take it upon itself to downgrade the quality of that mail, and I think that is a point the committee will take up with Australia Post.

I also think that you should have the certainty that, if something is marked 'airmail', it does not lose its status once it reaches Sydney. It should come on to here. With regard to calls, you make some very valid points, Mr Woolley, but this is very awkward for the committee. I imagine that the arrangement between your Telecom and Telstra is a commercial-in-confidence arrangement. The chairman might like to rule on this, but I do not know if as a committee we have the right to probe how much of Telstra's cost is added to by your local government. That is possibly for the citizens of this island to question. Obviously, there are two components in the cost of your calls to Australia. One of them is the cost of providing the service that Telstra charges your government for, and the other is what your government considers is a fair addition to that for the maintenance of telecommunications on the island.

The other aspect with the 1800 numbers is that that would probably need to be part of the agreement, but the committee from its end would do everything to ensure that, to the extent that Telstra is involved, Telstra should give every cooperation to Norfolk Island Telecom to have access to the 1800 numbers to the extent that that is technically possible. That is my view.

**Ms ELLIS**—Mr Neville is more technically au fait with these things than I am. I agree, but not at the cost of Telstra alone. If Telstra went to the expense of ensuring that

you had access to 1800 numbers and it somehow became a cost imposed on you to any degree, be it a cent or a dollar, by Norfolk Island Telecom, then I would say that that was a fairly inequitable outcome. There would have to be a caveat for my part in relation to any pressure on Telstra, because Telecom cannot have it both ways.

**Mr Woolley**—The cost of charges here are not just the cost of the maintenance of Telecom and everything else. It is a revenue raiser, like everything else.

**Ms ELLIS**—That is exactly what I am saying.

**Mr Woolley**—And that is what they use it for. If they are short, then that is a very simple way of raising extra money for whatever on this island; keep on upping costs.

**Mr NEVILLE**—Just putting that to one side for the moment, I agree with Ms Ellis on this. It is an important point. Let us say that Telstra Australia was prepared to make the service available from the point of contact, wherever that is at Sydney or Canberra, and there was a cost attached to the provision of that service of 20c, 30c or 40c. If you run a separate telecommunications system, I think it is fair enough that that charge should be levied. To the extent that it is free on the mainland, you should enjoy that same benefit.

**Mr Woolley**—Probably a lot of people on this island would not be so worried about the cost. The access is more important than the cost.

**Ms ELLIS**—We understand that. I am really reflecting on the prospect of any pressure that we as a committee could bring to bear on Telstra to pull their socks up or do whatever they can in relation to the provision of these services. I do not wish to paint Norfolk Island Telecom as the devil here; it is a statement. I do not want to presume anything. If as a result of Telstra doing that and saying, 'It is free to everybody else in Australia. Here it is to you,' and then somehow a fee comes in from Norfolk Island Telecom as a result of that, that would be absolutely inequitable and unacceptable. That is the point I wanted to make.

**Mr NEHL**—After what Ms Ellis just said, the inequity is driven by the difference in constitution. You can say it is inequitable that Telecom Norfolk does one thing and Telstra does another, but does not do it for Norfolk. But Norfolk does not pay the same taxation that everybody else does.

**Mr NEVILLE**—We do not get free phone calls in Australia for local calls, either. We pay 25c a call.

**Dr Walsh**—People do use the term 'monopoly'. It is true Telecom here has a monopoly. So does the hospital and quite a number of services, but I think that is to do more with market forces than it is to do with a government. If everything was completely

deregulated here, we would not have another telephone company. We have less than 2,000 subscribers. We are only going to have one post office and hospital, because there are not enough people to have more.

**Ms ELLIS**—That is fair.

**CHAIR**—Thank you for your attendance. We will break for lunch now.

**Proceedings suspended from 12.36 p.m. to 1.30 p.m.**

*Evidence was then taken in camera, but later resumed in public—*

[2.00 p.m.]

**RYAN, Mr Robert, Proprietor, Norfolk Island Data Services, Burnt Pine, Norfolk Island**

**CHAIR**—Mr Ryan, as you have not put a submission before the committee, I would invite you to make an opening statement.

**Mr Ryan**—I am the owner of Norfolk Island Data Services. I have been in the computer industry here on Norfolk Island since 1983. In that time, I have been involved in setting up computers for most of the businesses on the island. My current interest is mainly with the Internet side of things, which I have been involved in for about four years now. For the last two years I have been running an Internet service providing system on the island, using an email system.

I also set up the .nf domain, which is Norfolk Island's country code, which is running out of a domain name server in Sydney. I also have a server arrangement in Sydney that runs a web site for Norfolk Island; that gets quite a bit of interest. Recently I have been running a full Internet service provider system on the island as well, and that is going along quite nicely. That is sort of roughly my background.

**Ms ELLIS**—Mr Ryan, can you explain to us what reaction there has been to the Norfolk web site that your business maintains?

**Mr Ryan**—It gets in the realm of about 700 hits a day. It gets quite a good reaction from all around the world. One of the things I run on the web site is a guest book, and I have a number of entries in there of people saying that they are coming to visit the island after having looked at the web site, and things like that, with very, very favourable comments about it.

**Ms ELLIS**—Just as a curiosity: with those sorts of hits that you get from people intending to come, do you have a feed system that you put into the tourism people here as a result of those? This is just a side question.

**Mr Ryan**—It is one of the things I have tried to establish with the tourist bureau. The web site has actually been running now for a year and a half. In that time they have not expressed any particular interest in being involved in it, although recently they are getting involved.

**Ms ELLIS**—There is some bread and butter there, potentially, in terms of tourism.

**Mr Ryan**—That is the idea, yes.

**Ms ELLIS**—Approximately how many Norfolk Island domain name registrations

now exist?

**Mr Ryan**—I have not counted them up actually, but—

**Ms ELLIS**—Approximately?

**Mr Ryan**—Probably about 150, maybe 200. That is local and overseas.

**Ms ELLIS**—Could you elaborate for us on how RealNet Access maintains the register on your behalf?

**Mr Ryan**—We do it together. With the allocation of the .nf domain, there are two parties: there is the administrative contact, and that is me; and then there is the technical contact, and that is Richard Laxton of RealNet Access who is extremely capable. The reason why the DNSs—as they call the domain name servers—are housed in Sydney is because, until recently, we did not have the technology to move part of the DNS to the island. At present I would not like to do that until the current link we have is proved to be reliable, and just how long the link will run in its current form is unknown. So I feel it is best at this point in time to leave it where it is. If the link breaks, of course, it upsets quite a few things—and it is running quite reliably as it is.

**Ms ELLIS**—How does the ANZCAN cable system cope with your digital traffic levels?

**Mr Ryan**—It seems to be adequate so far.

**Ms ELLIS**—What do you see as happening in the future?

**Mr Ryan**—Exactly what the ANZCAN cable is going to do, what its future is, is unknown. The biggest problem with it, of course, is the performance and also the cost. I have been quoted a figure from the Norfolk Island government of some \$98,000 a year for a 64k link, which is ridiculous. I can get twice that performance via satellite for about \$1,000 a month. So it is silly to use the cable really. However, the government runs a monopoly on it and insists that that is the only way to go.

**Ms ELLIS**—That is how you operate at the moment, obviously.

**Mr Ryan**—Yes, we do not have any choice.

**Ms ELLIS**—From your knowledge, as your traffic levels rise, where do you see your options starting to become a bit thinner?

**Mr Ryan**—The options are thin not so much for local access—it is quite adequate for that—but if we are looking at developing alternative IT type industries for the island



that is when it will become a bit of a problem. The main problem really at the moment is the insistence of the government on having third parties, like me, going through their dial-up access rather than having a direct connection. That seems a bit silly to me because that is how it is done everywhere else: you have a sort of wholesale arrangement with your ISP rather than just a dial-in system.

Once that situation can be resolved, then we can develop further industries on the island regarding IT. The current government system is heavily built around security. That is fine for the government network. However, it does pose a few problems when it comes to commercial development.

**Ms ELLIS**—Do Telstra's or Telecom's line prices affect your operations and customer levels?

**Mr Ryan**—I am not too sure what Telstra's prices are; I have never been told. Telecom pricing seems to be adequate, it seems to be working, bearing in mind that it is a revenue earner for the island. So we have to accept a higher price here. That is just one of the facts of living on Norfolk. Because we do not pay income tax, the money has to come from somewhere. So that is just one of the things that happens. Obviously we would all like it nice and cheap. But, if the money is not raised in that form, it would have to come from somewhere else. But people are still using the Internet adequately.

**Mr NEVILLE**—How would your prices compare with those of a comparable service on the mainland?

**Mr Ryan**—Telstra's prices are higher than mine, but my prices would be similar to the more expensive service providers on the mainland. I believe that in Australia, which has Telstra's ISP arrangement, it would be similar; I am charging currently \$5 an hour. I do not know this for a fact, but I think they are of a similar price. But, of course, at the other end of the scale, you can get it for a dollar a day or even less in some places.

**Ms ELLIS**—Do you have any contact with the hospital at any level regarding telemedicine or other services?

**Mr Ryan**—Yes. I have spoken to Dr Ayton in regard to scanning X-rays and putting together a system whereby the data can be transferred to hospitals, et cetera. I spoke to one of the Lions members on the weekend; they were looking at raising funds to purchase a X-ray scanner for doing just that.

**Ms ELLIS**—Without that, it cannot be done?

**Mr Ryan**—It is required, yes. You need to take the X-rays and obviously put them in a digital form, yes. I have also been speaking to David Brown, who has been looking into some prices on equipment and various things.

**Ms ELLIS**—Where does he fit in?

**Mr Ryan**—He is the brother of John Brown, who is one of our ministers. He is up with the technology, et cetera, and has been looking into it.

**Ms ELLIS**—Just as an aside again: with the Lions project to buy the scanner, do you know what they are worth?

**Mr Ryan**—A figure of \$8,000 was mentioned.

**Ms ELLIS**—With the purchase of an \$8,000 scanner, you are then in a position on behalf of the hospital to transmit X-rays to the mainland for diagnosis?

**Mr Ryan**—There would also be, I would imagine, a computer involved as well. So there would be that expense as well. But my guess is that it probably would be another \$3,000 perhaps. Then there would have to be some arrangement as to where the data is to wind up, and it is just a matter of solving a few technical problems along the way. But, yes, it could be done.

**Senator LIGHTFOOT**—What other competition do you have on the island that would provide the sorts of systems you manage?

**Mr Ryan**—I suppose that the only other person who brings in any quantity of computers is the administration's EDP manager who also brings in computer equipment for people.

**Senator LIGHTFOOT**—Do they act as providers of other services?

**Mr Ryan**—I believe that they service equipment as well.

**Senator LIGHTFOOT**—Does that impinge upon your business?

**Mr Ryan**—I would imagine it would do, yes.

**Senator LIGHTFOOT**—Does it impinge upon you in terms of your adequacy to run your company in a profitable fashion?

**Mr Ryan**—As this is a small community, everything matters, yes. A lot of people bring their own equipment in directly. But if they have problems, they usually wind up talking to me.

**Senator LIGHTFOOT**—But that equipment still needs servicing, doesn't it?

**Mr Ryan**—Exactly.

**Senator LIGHTFOOT**—Do you do that servicing?

**Mr Ryan**—I do, yes. I have a staff of two. I have a young school-leaver—this is their first year out of school—who works for me. I also have Mike Andrews who has just started working for me as well; he is quite competent in the area.

**Senator LIGHTFOOT**—Is there any area of IT that exists in a comparable isolated part of Australia which you feel Norfolk Island should have to enhance its IT confidence and comfort?

**Mr Ryan**—My biggest concern at present is at the way the Norfolk Island government is managing the Internet providing on Norfolk Island. Basically, I feel it is not being done in the way it should be done.

**Senator LIGHTFOOT**—Can you just expand upon that?

**Mr Ryan**—I am an ISP and have been for a couple of years. I wish to expand that technology into the commercial sector of the island, plus encourage additional IT industry on the island as an alternative revenue source to tourism for our economy. But the problem I am having is that the Norfolk Island government is insisting that I go through a dial-up network system.

**Senator LIGHTFOOT**—Why is that?

**Mr Ryan**—I do not know. They have never told me why they insist on that. However, they can provide a system whereby I have a direct link straight in. They still would be the provider, only on a wholesale basis. That way, I can then expand the network into the commercial sector, as it is done everywhere else in the world basically. But under the current system that I am using, I cannot run web sites, I cannot run DNSs and I cannot do a lot of things that are inherent within an Internet service providing system.

**Senator LIGHTFOOT**—So it is not the infrastructure that inhibits you.

**Mr Ryan**—Not at all, no.

**Senator LIGHTFOOT**—It is a direction from the government that inhibits you.

**Mr Ryan**—Yes, definitely. Technically it is quite possible; there is not a problem there. Even within that, there are concerns within the government which, to a certain degree, are legitimate. Their main concerns lie with the Net phone system. They fear it may impede upon the revenue they earn from telephones, which may or may not be a real concern. However, those concerns still can be met technically. It does not matter where you connect into the system, because their ultimate point between Telstra and Telecom is

through a particular device which can also act as a filtering system for such things as web phone and the like. So technically there is no reason. As I have said, I have never had explained in any detail exactly why I cannot do it that way.

**Senator LIGHTFOOT**—Is there anything that you would like to tell the committee which would be of advantage to Norfolk Island and to us in compiling our report?

**Mr Ryan**—That is something I would have to think about. There probably would be but, just off the cuff, it is a big subject.

**Senator LIGHTFOOT**—It is a big subject, and I am sort of floundering around with questions, and I may not be getting to the point that is of assistance to you. But if there is anything that you think of, I am sure that we are quite prepared to hear from you.

**Mr Ryan**—The main thing, particularly regarding the Internet, that I am trying to head towards is fostering a spirit of cooperation between the private sector and the government with regard to the Internet to bring it forward into the future like a larger plan. I can visualise a system—and just how far into the future this is, I do not know—where practically every home is connected up to the Internet which is used as a communications system.

This is where the technology is heading. It seems to me that the government does not have that sort of a vision and the path it is currently on is most definitely restricting it. In fact, it has already become quite stagnant, although it is only been running a month. I am desperately trying to progress the thing, but it is not easy. I can get around things technically, but it requires a lot of unnecessary resources to put into things which really are not necessary.

**Senator LIGHTFOOT**—Have you approached the government?

**Mr Ryan**—I have approached the government on numerous occasions, yes, and quite often a spirit of hostility has arisen rather than cooperation.

**Senator LIGHTFOOT**—Why is that?

**Mr Ryan**—I really do not know. You would have to ask them that. It is almost as if they want to create this little empire. I really do not think they have the experience in the Internet area to take it further forward at this stage anyway.

**CHAIR**—Before I pass over to Paul Neville, I do have one question. Does your service accord with international domain name registration standards? The Norfolk Island government said no.

**Mr NEVILLE**—I think the question probably is: what precautionary probity

mechanisms have you put in place to ensure that the domain suffix .nf is not deleted in any way and clearly identifies with the core businesses and establishments of Norfolk Island only?

**Mr Ryan**—With regard to the standards of administering the .nf domain, essentially the standards really just set out how the thing is technically structured. How it is administered is pretty much up to the administrator of the domain. Part of my business is providing domain names to external countries, which is the case in a number of other places, including the US itself. You can apply for a US domain name if you wish. You do not have to be to a resident or a company in the US. That is also what I am doing.

Regarding the standards, really there are not any as far as how the domains are structured. But there is a loose standard regarding the prefix of .com, .gov, .edu and such like. Those standards originally were put in place when the Internet was relatively young and most of it was for educational purposes anyway. So to that end, I altered it a little bit. I have not been insistent on the .com, because I figured most of it is commercial anyway. However, I have passed over the .gov.nf entirely to the Norfolk Island government. That is theirs to administer as they please. The .edu part of it is strictly for the Norfolk Island educational system.

Regarding the .com and other parts of the domain, basically the policy is that, providing the domain is not already taken or reserved or is not indecent, then it is possible to be allocated. If there is any dispute regarding a name, then the policy is that I will abide by any decision of any arbitrator. That is pretty much how it runs and I have not had any problem.

**Mr NEVILLE**—You do not allow .nf to be used by any other organisations that are not intrinsically linked with Norfolk Island?

**Mr Ryan**—I do allow that, yes. It does occur in many other countries.

**Mr NEHL**—Do you get a fee for each one?

**Mr Ryan**—Yes.

**Mr NEHL**—In Coffs Harbour can I get a .nf for my address?

**Mr Ryan**—Yes, that is correct.

**Mr NEHL**—Which would come to me in Coffs Harbour on email?

**Mr Ryan**—Yes.

**Mr NEHL**—So you can sell .nf domain names all around the world, and you do?

**Mr Ryan**—Yes. You could get coffsharbour.com which would come from America or coffsharbour.whatever from linked TV. There are quite a number of countries that do that. It is a normal thing that happens; it is not unusual, put it that way.

**CHAIR**—Thank you very much for presenting your evidence today. If you do have any additional information you would like to bring forward to the committee, put it in writing and send it to us. Alternatively, if we have any further information we wish to follow up, my secretary will be in contact with you.

**Proceedings suspended from 2.21 p.m. to 2.31 p.m.**

**BENNETT, Mr Geoffrey James, PO Box 51, Norfolk Island**

**CHAIR**—I welcome you, Mr Bennett. We have your submission before us. I invite you to make a short opening statement if you wish.

**Mr Bennett**—I welcome the opportunity, albeit at very short notice, but before I continue I draw the committee's attention to the final page of the submission. There were five words in the last sentence missing and the final paragraph was omitted from the submission. The last five words of the last sentence in the paper were the words 'being allowed to be expressed'. And the final paragraph was:

Finally, in respect of parliamentary committee inquiries generally, it is submitted that the only inquiry that would be at all welcome is one into the real role, functions and performance, including the level of communication and consultation with the Norfolk Island Government, of the Department of Environment, Sports and Territories in its dealings with Norfolk Island particularly but not exclusively to the period since the commencement of the Norfolk Island Act 1979. Such an inquiry should examine the costs of this service, costs which are so readily debited to the contributions to the Commonwealth account and about which there is continuous dispute.

I do not propose to read any sections of the submission that I made, but may I make a couple of points. It is submitted that parliamentary committee inquiries into matters related to Norfolk Island, unless sought by the people of Norfolk Island, have really little benefit for those on Norfolk Island but a great deal of benefit to the department because invariably the findings will add to the position that the department has taken vis-a-vis Norfolk Island and its constitutional position.

Each step of way—and history will well show this—we have lost ground each time there has been a committee inquiry. Selected findings have been taken up by the department. Sometimes legislation is enacted. Sometimes that legislation usurps powers that we already have. Sometimes it imposes legislation that we really did not need and in the course of doing so it is very costly in terms of resources and funds to defend our position—that is, the position accepted in 1979 that the island will progress towards full, internal self-government.

I have said in the submission that history has shown that members of parliamentary committees are often not well briefed on Norfolk Island and apparently take a lot of their briefings from briefing notes given to them. This in itself can perpetuate the problems that we have been having for the last 20 years. I want to draw your attention to a couple of errors that occur in the paper of this committee to illustrate the point of how things can gradually get off the rails and then continue off the rails.

I am referring to the inquiry information paper. It may only be a minor point, but you talk about Norfolk Island being administered as part of New South Wales from 1856 to 1914. That is clearly wrong. The council at the time made the post of Governor of Norfolk Island quite separate to that of the Governor of New South Wales. It is just a tiny

thing, but if you read that in context with all the utterings of the department about Norfolk Island's constitutional position you can very easily be swayed to the view that Norfolk Island is part of Australia and not a dependency as it was set out to be in 1914.

**CHAIR**—Is that all that is wrong with the paper?

**Mr Bennett**—That is all that I have to comment on today. I presume there will be an opportunity to provide another submission at some time which will wrap up some of the points. I also draw your attention to a submission by the Department of the Environment. It occurred to me that some of the words in the preamble to their submission may well be repeated in the briefing papers that you may have got. It says in the first paragraph that the Norfolk Island Act 1979 provides *inter alia* for a degree of self-government for Norfolk Island generally similar to that enjoyed in the ACT and the Northern Territory. That is absolutely wrong. The Northern Territory and the ACT are vastly different. Norfolk Island has all federal powers and a whole lot of other things that make it vastly different.

That is a statement from the department that is perpetuated over time, and it then leads to the view that Norfolk Island is part of Australia and, therefore, policy direction that says Norfolk Island citizens who are Australians should enjoy all the same benefits as all other Australians. And it gives them reasons to proceed along that line. That goes counter to the 1979 Norfolk Island Act and the agreement at the time that more and more powers would be devolved to Norfolk Island—in fact, all powers except foreign affairs and defence. There is absolutely no way we will get to that stage because already a number of our powers have been usurped by Commonwealth acts.

In closing, the aspirations of the people in terms of self-government have not really been that successful for some of the reasons that I have just mentioned. There are three reasons: one, the extension of Commonwealth acts to Norfolk Island, those acts that usurp powers that are exclusive to us; second, the uncertainty about the constitutionality, which raises questions about whether section 122 of the constitution is disjoined from other sections or joined; and, third, Norfolk Island being referred to by the department and the ministers who are briefed by the department that it is part of Australia that acts against the continuance of self-government.

I am not sure whether there is a lot more that I can say at this time. The submission was not about listening to the gripes of somebody who is really concerned about the process of self-government; it was about telecommunications. I said in my submission that I thought a committee inquiring into telecommunications was perhaps unconstitutional given that the powers of telecommunications and some of the other issues that you are inquiring into are exclusive powers of Norfolk Island. I wonder where the authority arises to inquire into things, particularly when we have not invited such an inquiry.

**Mr NEVILLE**—Mr Bennett, I do not presume to speak for the rest of the



committee, but I will speak for myself. We did not come here to in any way impinge on your autonomy or, for that matter, your sovereignty. We came here at the request of the minister to enhance the quality of life for people in the territories. Australia still has an umbrella responsibility, no matter what status you attach to Norfolk Island, to see that the people of its dependencies are not at a disadvantage to those who live on the mainland. My colleague Mr Nehl informed us at lunchtime of something that I was not aware. He told us that this inquiry arose out of another inquiry when the Grants Commission, to which your government is a party, pointed out to us the appalling anomalies in telecommunications within the states and the territories and that the government needed to address these anomalies and disadvantages.

If you are looking for a chain of authority, it came from the Grants Commission to the minister and the minister to his appropriate committee that has been set up—the Joint Committee on the National Capital and External Territories—to inquire into this matter on behalf of those territories. We do not exist for any other reason as a committee. We do not exist to in any way impinge on the sovereignty but to see that the quality of life in the ACT and the territories is enhanced and does not slip behind that of the rest of Australia. We recognise that the states have a certain sovereignty and power that they exercise under the constitution and some powers which they held before Federation.

I think it is recognised that the states ceded certain powers to the Commonwealth in 1901—telecommunications, defence, foreign affairs, certain aspects of trade and certain aspects of health—and some have become implied in recent times because of the need for a Commonwealth police force. We came here today not to in any way misuse our powers but to try to find out from people like you and the rest of the community what things the Commonwealth could do to enhance telecommunications—be they broadcast communications or the Internet, Australia Post and so on. You have said that this should have been a consultative process with this community, but other people who have appeared independently today from your community have chided us that Australia has not been as caring as we might have been in certain aspects. For example, Telstra did not give you access to the 1800 numbers and things like that. Your community, far from being critical of what we were doing, appealed to us in a number of fields.

I appeal to you now: we came here in a positive aspect to hear whether you think Telstra is exceeding its powers or whether it or any other Commonwealth agency has not been responsive enough to the needs of Norfolk. We recognise the independence of Norfolk Island Telecom. It is a two-sided sword for you. To the extent that it is independent it could do lots of things. It does not charge you for local calls and all sorts of things like that.

**Mr Bennett**—Did you say Telstra does not charge?

**Mr NEVILLE**—Norfolk Island Telecom does not charge for local calls. But to the extent that you want access to other services to the mainland, you cannot have it both

ways. Telstra says, 'We provide a service in consultation with Telecom and when that point has been reached, we are not obliged to go further.' I suppose Australia Post is the same. It occurred to the Grants Commission and to the minister that perhaps some of those things needed looking at for the benefit of the territory. That is why we are here. I hope I have not exceeded my powers, Mr Chair.

**Mr NEHL**—Before Mr Bennett responds, I should say quite clearly that I disagree with 'challenge and dispute', and Mr Neville's use of the word 'sovereignty' in relation to part of Australia. I disagree with your interpretation of history as well, and I think you will find that most Australians do. As far as I am concerned, I am in Australia right now.

**Mr Bennett**—That is a convenient position, but history belies that fact. You need to go back to 1914 and Sir Robert Garran who was the Secretary to the Attorney-General's Department responsible for the creation of the Norfolk Island Act that went through. There was absolutely no doubt, and *Hansard* of the time and the second reading speeches all talk about Norfolk Island being a dependency.

I do not want to get into that argument here, because that is the perpetual argument that we have had with the Commonwealth for a long time. We thought we had got over it when Robert Ellicott was the minister for home affairs and we got the Norfolk Island Act. He saw things differently. He provided, before he became a minister, a legal opinion which supports the view that I have just espoused. When he became the minister, of course, he had to toe the party line which said something else, but since he has been out of the ministry he is back at the beginning.

**Mr NEHL**—We will not proceed down that path, but what we want to do is try to do something positive for Norfolk Island and the people who live here. Do you have any suggestion, request or comment of a positive nature about what we can do? If not, we might as well close up shop right now.

**Mr Bennett**—I appreciate the sentiments behind what Mr Neville said and I also accept that there are people in the community who would be saying exactly what you said. I outlined that in my report. If you want to know what the people of the island want, then you have to canvass the views on a wider scale. You simply cannot take submissions from the odd people who come to see you, arrive at conclusions and make recommendations about it, because they invariably go wrong. The silent majority on Norfolk Island is about 80 per cent. Somehow committees of inquiry have to canvass those views and perhaps the only way is by referendum.

I am not suggesting that your visit here is not with good intent, but sometimes the good intent bites very deeply with us. Let me give you a recent example. The islanders had a problem with Cascade Cliff. It has been a problem since 1926. The Commonwealth had the problem for 50-something years and did nothing about it. We decided to fix it, but the costs were beyond us.

With negotiation, the Commonwealth agreed to pay \$3 million for us to fix it. But when that went to cabinet, not only did we get the \$3 million loan, but they wanted to change the electoral system for us and announced the committee of inquiry into telecommunications. All these things happened together, so it is Indian giving in a way. You have to be a little bit careful that the good intent does not carry too many strings with it.

**CHAIR**—Can you make that link, Mr Bennett?

**Mr Bennett**—Only yesterday in Melbourne it was confirmed. There was a cabinet meeting in Melbourne yesterday, as I recall.

**CHAIR**—But they have not linked the electoral reforms with the grant for the cliff.

**Mr Bennett**—Conveniently so.

**Mr NEHL**—The very first mention we heard of a cliff was here on Norfolk Island. That is what I heard; I cannot speak for others.

**Mr Bennett**—From the newspaper and minister's press releases—and I will have them for you at a later time—there is absolutely no doubt that it was an opportunity. On the one hand the Commonwealth was giving the \$3 million loan, and I might say that many people think that that money ought to have been given by the Commonwealth a long time ago to fix their problem. However, leaving that aside, the money was given, but at the time of it there were other things attached to it.

**CHAIR**—You cannot have it both ways.

**Mr Bennett**—It is in fact the Commonwealth's responsibility.

**Senator LIGHTFOOT**—Could I suggest that we go back to our terms of reference. We are not qualified to accept dialogue of that nature. With respect to the question by Mr Nehl, is there anything that you could offer the committee that is going to be of some assistance to the people here on Norfolk Island with respect to telecommunications?

**Mr Bennett**—Yes, there is. One of the difficulties the island has had is in negotiating with Telstra. It is an enormous organisation. The agreement that expires next year was negotiated in 1994. It was like David and Goliath, and David lost that battle. We and many believe that Telstra were just too tough in that negotiated contract for supply of services. I think that is illustrated in the price of telephone calls from Norfolk Island to Australia. They are vastly different in reverse. There was a suggestion that perhaps the difference was great profits made in Norfolk Island. Norfolk Island makes a profit, but if you have a look at the costs that Telstra charge the Norfolk Island government for the

timed service out and in you will see that we are paying rather dearly for it. It is odd that we should be paying something like 90c or a dollar a minute to Telstra and yet if you ring in Australia via Optus to Norfolk Island you can often ring for 47c.

In the negotiations with Telstra we sought help from our department. That help didn't materialise into anything solid enough to turn Telstra around. We negotiated as hard as we could with the department of communications, but in the end Telstra won the day. That contract is coming up for renewal, renegotiation. The government may choose another carrier, for that matter. But in those negotiations with large organisations like Telstra and Australia Post the bloody-mindedness of them was a bit difficult for the island to cope with. I think that the island needed some assistance in getting some understanding from those monolithic organisations.

**Senator LIGHTFOOT**—Do you mean by way of subsidy?

**Mr Bennett**—No, no subsidy.

**Senator LIGHTFOOT**—But you accept a subsidy from Australia Post, for instance.

**Mr Bennett**—I do not accept that at all, no. I think that's quite wrong. In fact, Australia Post, when they raised their parcel rates fourfold, did it on the basis of a terminal charge, but in return their profits on the Norfolk Island mail increased over four times. I do not think that they are subsidising us one bit. I think that ought to be examined on its own as a separate issue. It is a huge issue.

**Mr NEVILLE**—Have you got some material on that?

**Mr Bennett**—Yes.

**Mr NEVILLE**—Could you let that go through to the committee secretary? We would be very interested to see it. If you have got some definite evidence of that, we would like to see it.

**Mr Bennett**—Just as a quick example of it, the basis of the high airmail charge was the fact that Australia Post said they had to pay \$6 per kilo for air freighted mail. Some of the importers here get air cargo on that airline or at that time for \$1.95. You would think that Australia Post, with the huge amount of air freighted mail, would have the commercial clout to get a deal even better than that. When you add that \$6 to the terminal charge and other things and then put their profit margin on, we were getting screwed.

The other thing was the terminal charge was applied to every bit of mail that was posted through Australia Post to Norfolk Island. Yet the terminal charge only applies to

the differentiation between the volume of mail coming in and the volume of mail going out. So on two or three counts we were getting screwed, and it just pushed the mail rates up. The facts are there. Some of these are taken from the government's files; they are not my dreams.

**Senator LIGHTFOOT**—But Australia Post argues that the reason they put their prices up was in part that the parcel post exceeded any definition of parcel, and truck tyres were coming in through parcel post, for instance.

**Mr Bennett**—It was interesting that years and years before they made this decision we had been telling them about the tyres and that it was silly that they were letting tyres come through. They did nothing about it for years.

**Senator LIGHTFOOT**—So you would agree that it was being abused?

**Mr Bennett**—Yes, and we told Australia Post about it because it was also a problem for us at this end. Secondly, there was an anomaly in mail being posted from here to the N3 region, which is in northern New South Wales. A lot of clever people were posting huge packages out of Norfolk Island for a very small amount of money to the N3 district and somebody was moving it on. We told them about it and for years and years they did nothing.

**Senator LIGHTFOOT**—It is still the case today, isn't it? Doesn't Norfolk Island come under New South Wales N3 today?

**Mr Bennett**—They have changed. Since the big alteration to parcel rates, they have also changed the zones. I may have misled you by saying N3. N3 used to be the problem area for them inasmuch as our postal office was matching the incoming rates of Australia Post and were concerned about the anomalies with the northern New South Wales region. All the zones were reshuffled when they did their alterations a few years ago.

**Senator LIGHTFOOT**—When the contract comes up again with Australian Telstra and Telecom it is quite possible that Telstra will pull out and you will be able to negotiate and accept another carrier. Is that right?

**Mr Bennett**—That is not for me; that is a matter for the government. They certainly are open to negotiate with whatever carrier they want. It just so happens that Telstra had the only means of communication at that time—the landline. But we were unable, because we did not have the commercial clout, to get a deal that was good enough.

**Senator LIGHTFOOT**—But, for instance, low earth orbiting satellites, LEOs, would be at least another alternative, wouldn't they?

**Mr Bennett**—It is certainly an option now. I think that the negotiations with Telstra, if they did occur, would be much better because there are a lot of options now that were not there in 1993-94. So commercial reality suggests that Telstra would be more reasonable if they want the business, because there are alternatives that the island can easily go to. When there were no alternatives, it was rather difficult. It was a David and Goliath situation.

**Senator LIGHTFOOT**—How do you see the privatisation of Telstra in Australia affecting Norfolk Island—adversely?

**Mr Bennett**—I do not have any comment. I have not followed that. As a businessman, I would say definitely no, but I am not qualified to—

**Senator LIGHTFOOT**—You are indifferent to the privatisation aspect of it?

**Mr Bennett**—Yes.

**Senator LIGHTFOOT**—What other areas of concern are there to you with respect to the carrying capacity of the various cables and satellites to cope with modern technology in Norfolk Island?

**Mr Bennett**—From my understanding, there are really no problems. It is a matter of the government negotiating the right sort of deal with the right sort of carrier and buying the right sort of ground equipment. I do not think it is any longer a real problem. It will be a question of what the island can afford and, as I have said, sometimes it cannot always afford the best option. The way that the island has been run is that they tend to sometimes have to forgo the best option in favour of something that is affordable. But in the main people accept that.

**Senator LIGHTFOOT**—What is to stop Norfolk Island from using New Zealand, for instance, to replace Australia as a carrier?

**Mr Bennett**—As far as I am aware, there is no constitutional difficulty.

**Senator LIGHTFOOT**—Why is it that it was not used then?

**Mr Bennett**—Years ago there were discussions with New Zealand and at the time they were opening up—they had Clear, Bell South and a number of those coming in. I recall that there was communication between them. I cannot recall the details, but I suspect that the deal was not as attractive as it might have been. Bear in mind that they apparently had no share in the undersea cable whereas Telstra has a big part of that undersea cable.

**Senator LIGHTFOOT**—ANZCAN?

**Mr Bennett**—The ANZCAN cable I am talking about. I do not know to what extent New Zealand Telecom, Bell South or Clear had a part. If they have not got a part, then they certainly could not be as competitive as Telstra who had a part.

**Senator LIGHTFOOT**—So by all accounts then Australian Telstra was probably the most competitive tenderer as a carrier?

**Mr Bennett**—I do not want to give a broad comment on that because it is a few years ago, but it would suggest that there was not a lot of interest out of New Zealand and maybe the costs were not as high. The reality is that we are paying too much to Telstra. When the contract expires next year, I hope that the advent of a lot of competition, a lot of alternative ways of communicating, will mean that the price paid by the government to the carrier will be much lower and that therefore the call costs from Norfolk Island to other places will also drop.

**Mr NEHL**—Would you expect Norfolk Telecom to lower their prices too? Currently they are 66 per cent higher than the Telstra charges, aren't they?

**Mr Bennett**—Yes, I think those are some important facts. It is understood by people who live here that it is a business enterprise. Telecommunications in the main is not as needy a service as, say, electricity; therefore it is entitled to make some profit. It is arguable whether 66 per cent is too high. Some might say it is too low.

**Senator LIGHTFOOT**—That applies to Telstra too, though, doesn't it? It is the same measure: the entitlement to make a profit—

**Mr Bennett**—Yes. The biggest part of the cost of a call is Telstra's cost, though. The 66 per cent is lower than the cost that is paid to Telstra.

**Senator LIGHTFOOT**—I think there is a dichotomy there with your views that there should be a profit made by Telecom but not necessarily one made by Telstra.

**Mr Bennett**—No, I did not say that at all. Mr Nehl said that the margin appeared to be in the region of a 66 per cent mark-up on the cost of Telstra. That 66 per cent in dollars and cents is not anywhere near the cost that the government has got to pay to Telstra for that minute. So the biggest chunk of the cost of the call is still Telstra's cost to us.

**Senator LIGHTFOOT**—I hope you have the chance to rectify that when the contracts come up.

**Mr Bennett**—I will not be directly involved, but I—

**Senator LIGHTFOOT**—I am sure you will use whatever influence you have, though.

**Ms ELLIS**—I want to go back to what you were saying a moment ago and also what you said earlier on in your introduction, Mr Bennett. This is really confusing to me. I am not a technical person—I do not understand. The same equipment is used to make a call from Australia to here and from here to Australia, yet your biggest gripe is that it costs far less to make one coming in than it does to make one going out. You are blaming Telstra for that. You are saying that the deal between Telstra and Norfolk Island Telecom is so inferior that it has created that high cost. I think I have encapsulated the comments relatively accurately. On that basis, I do not understand why the deal between Telstra and NI Telecom is the problem. The problem has to be the mark-up at one end where NI Telecom has the control—

**Mr Bennett**—No—

**Ms ELLIS**—otherwise, you explain to me why that is not the case.

**Mr Bennett**—In the first instance—

**Ms ELLIS**—Can I interrupt you to make one more point: why is it that the deal that is so bad only controls one end of the market, and that is the market coming out of Norfolk Island? I do not understand.

**Mr NEVILLE**—On page 44 of our briefing papers from your own government—to follow up what our colleague is saying—it says that the charge of a call from New Caledonia to Australia is \$1.48 against \$1.50 for calls from Norfolk Island to Australia, Tonga is \$1.30 against \$1.50, Fiji is \$1.50 against \$1.50, Western Samoa is \$1.55 against \$1.50, Vanuatu is \$2.56 and American Samoa is \$2.37. You might argue that we do not know what their telecommunications company has added on either, but they do not seem to be largely inconsistent, do they—except perhaps in the case of Fiji?

**Mr Bennett**—I think the contracts for carrying telecommunications vary remarkably. But I want to go back to Ms Ellis's comments. I was not griping about these costs. I will explain it this way. I was simply making the point that no doubt people have complained to you about the high cost of calls from Norfolk Island to Australia. We hear it often. Locally, it is suggested that the profit is being made by Norfolk Island Telecom. There is often comment about whether their profit is too high; that is an arguable thing.

The biggest part of the cost of that call is the Telstra charge to the Norfolk Island government. Exactly what those costs are you would have to get from the government; I do not know them exactly. For some unknown reason, maybe because there is an opportunity for competition from Australia to Norfolk Island, the rates for carriage are vastly different.



**Ms ELLIS**—What other service provider comes in at the moment?

**Mr Bennett**—The only lines are Telstra lines, but Optus provides a service. For example, a lot of the local people who have children at boarding school will have children call on Optus because the cost has traditionally been a lot lower than for a Telstra call. It would be interesting, if you have not already done this, to get the facts on the costs charged by Telstra for each segment, because it flips around a fair bit.

**Ms ELLIS**—I do not mind if Norfolk Island Telecom want to make a profit. That is not my business. But if Telstra is unnecessarily overloading the profit market to the detriment of Norfolk Islanders we would need to know that, but we do not have the proof. That is my main motive in asking these questions. To date I think all we have got is hearsay in the case of what the contract arrangements are. Unless we get hard evidence of what those contract arrangements are and what the differences in the charges are—I imagine that is all commercial-in-confidence—I am afraid that taking the word of different people is not good enough for a committee of this kind.

**Mr Bennett**—Cannot the committee subpoena Telstra?

**Ms ELLIS**—On commercial-in-confidence, I doubt it very much.

**Mr Bennett**—It is crucial to your inquiry.

**Ms ELLIS**—Yes, it is. It is also crucial to Norfolk Islanders to be given an opportunity to understand truthfully and honestly where all of the costs are coming from. I am not loading that with any innuendo; it is the fact. Until we know that information, we cannot, with the greatest of respect, believe you or someone else who says they are not making a profit. That is our dilemma. In the meantime, you have got someone like me sitting here saying, ‘Unless it is proven otherwise, I do not understand why this it is so inordinately more expensive to phone one way than the other.’

**CHAIR**—We can try yet again to ask Telstra, and we will. There being no other questions, I will finish on that note. Thank you for your evidence, Mr Bennett, exciting and interesting as it was. If you have any other matters you want to put before us, please do so in writing. If we wish to follow up any information, we will do that through our secretary here. The transcript will be forwarded to you for any changes that you wish to make in terms of editing corrections.

**Committee adjourned at 3.08 p.m.**