



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL
AND EXTERNAL TERRITORIES

**Reference: Review of annual reports 2001-02 of the Department of Transport and
Regional Services and the Department of the Environment and Heritage**

TUESDAY, 18 FEBRUARY 2003

NORFOLK ISLAND

BY AUTHORITY OF THE PARLIAMENT

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JOINT COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

Tuesday, 18 February 2003

Members: Senator Lightfoot (*Chair*), Senators Crossin, Hogg, Lundy, Scullion, Stott Despoja and Mr Causley, Ms Ellis, Mr Johnson, Mr Neville, Mr Snowdon and Mr C.P. Thompson,

Senators and members in attendance: Senators Hogg, Lightfoot, Scullion and Stott Despoja and Mr Neville and Mr C.P. Thompson

Terms of reference for the inquiry:

On 21 March 2002 the Committee resolved that, in respect of its review of the Annual reports of the Department of Transport and Regional Services 2000-01 and the Department of Environment and Heritage 2000-01, which stand referred to the Joint Standing Committee on the National Capital and External Territories by the House of Representatives, it annually monitors the External Territories in order to review the development of services and the implementation of programs to a standard commensurate with equivalent mainland communities. In particular, the review should consider:

- Heritage protection and management of the Kingston and Arthur's Vale Historic Area (KAVHA) on Norfolk Island;
- Land management and planning for Norfolk Island;
- Land use and land transfer by the Commonwealth Government (resolution of the Committee, 26 June 2002); and
- Legal aid contribution to Norfolk Island.

WITNESSES

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Committee met at 9.29 a.m.

BUFFETT, Mr Ivens Francois, Minister for Land and the Environment, Norfolk Island Legislative Assembly

DAVIDSON, Mr Peter Martin, Conservator of Public Reserves; Land Use and Environment Manager, Administration of Norfolk Island

CHAIRMAN—I declare open this public hearing of the Joint Standing Committee on the National Capital and External Territories Review of the Annual Reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2001-02 in relation to the extended territories. I welcome you all to this venue this morning. The aim of this review is for the committee to monitor whether services are developed and programs implemented on Norfolk Island to a standard commensurate with equivalent mainland communities. The committee recognises the devolution of powers under the Norfolk Island Act 1979 in relation to many services. However, it is incumbent upon the Commonwealth to ensure a good standard of service to all Australian citizens, and this committee is mandated under its resolution of appointment to review the government's management of all Australia's external territories. The purpose of this visit to Norfolk Island is to enable the committee to better understand the respective roles of the Commonwealth and the Norfolk Island governments on the island and to understand the Norfolk Island community's views.

On 21 March 2002, the committee resolved to monitor the provisions of services in Australia's external territories through a review of the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2000-01. On 13 November 2002, the committee resolved to extend its reviews of the annual reports of these departments to include the annual reports for 2001-02. May I acknowledge the Norfolk Island Administrator here with us this morning. The committee also resolved that all submissions and exhibits received in relation to the committee's review of the annual reports of these departments for 2000-01 be considered as evidence to its review of the annual reports for 2001-02. At the conclusion of the inquiry, the committee will table its findings, conclusions and recommendations in the parliament in a report which will be publicly available. The committee normally authorises submissions for publication, which are then placed on the committee's web site. Some copies are also available here today from the secretariat staff. To date, the committee has received 10 submissions from interested parties. If you would like further details about the inquiry, please ask any of the secretariat staff present at the hearing today for assistance.

I would like to take this opportunity to reassure the Norfolk Island community that the committee would like to hear the views of as many Norfolk Islanders as possible, particularly on the provisions of services by the Commonwealth government on the island. An important role of parliamentary committees is to take the parliament to the people and encourage direct contact between members of the public and members of parliament. Committee inquiries enable members to be better informed about community views. It should be also noted that this committee has an all-party composition. The committee processes, like those of the House and the Senate, are meant to be public so that there can be a free, uninhibited and open debate, so that the opinions can be tested and so that evidence can be quoted in support of the committee's conclusions. Such open and transparent procedures are the hallmark of a healthy democracy. The committee is concerned that many witnesses have chosen to give their evidence in camera but nonetheless welcomes their contributions.

These hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. The committee has not yet received a submission from the Norfolk Island government. Do you now wish to lodge a submission on the government's behalf, Mr Buffett?

Mr Buffett—I would like to make some brief opening remarks and then inform the committee of the context in which I appear as the Minister for Land and the Environment accompanied by an officer from the area that serves my portfolio. Then I will explain where I think we are with the government's submission. There will be no written submission handed to the committee today. Having said those words, I would now like to make those opening remarks and place in context the position in which we appear here this morning.

CHAIRMAN—The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee you may request that the hearings be held in camera and the committee will consider your particular request. Before we ask questions, I invite you to proceed.

Mr Buffett—I have some preliminary matters to address before we commence. On behalf of the Norfolk Island government and the community of Norfolk, we welcome this joint standing committee to Norfolk Island. To those members of the committee who have once again visited us, we welcome you. To the new members of the committee, we also officially extend to you a welcome to Norfolk Island. The situation with the Legislative Assembly of Norfolk Island and the presentation of evidence is covered in the letter that was forwarded to the secretary of the joint standing committee by our Chief Minister, Mr Gardner. The letter is dated 6 February. I will read the letter to do two things: to place it on the record and to inform those in the community who are not aware of it what that position is. I seek permission to read that letter into *Hansard*.

CHAIRMAN—How long is the letter?

Mr Buffett—It is very short. I will dispense with the preliminaries—it is addressed to Mr Quinton Clements. It reads:

I refer to Senator Lightfoot's letter of 23 January 2003, received via facsimile on 30 January 2003.

I note the paper attached to that letter entitled 'issues of interest and questions for the Norfolk Island Government'.

Further, I confirm my advice to you contained in my letter of 29 January 2003, that I do not propose to make a submission to the Committee at this time. However, the Norfolk Island Government will, on issues that we consider relevant to the terms of reference of the Committee, provide a written submission, if necessary, at an appropriate time.

Geoff Gardner

Chief Minister and

Minister for Intergovernmental Relations

Prior to that letter being sent, there was some indication, based on the initial information that we received from the joint standing committee, that I would appear as the Minister for Land and the Environment. The information touched on four major areas at that particular time. In respect of

Norfolk Island, they were the areas of heritage protection and management of the Kingston and Arthur's Vale Historic Area, land management and planning for Norfolk Island, land use and land transfer by the Commonwealth government, and the legal aid contribution to Norfolk Island. My evidence was to be in respect of the two middle issues—land management and planning for Norfolk Island, and land use and land transfer by the Commonwealth government—and the areas that they have influenced in the KAVHA, the Kingston and Arthur's Vale Historic Area.

I will now refer to the letter which we received from you, Mr Chairman. That was the letter referred to by Mr Gardner, dated 23 January, attached to which were a number of questions. They dealt with a wide range of issues including the Commonwealth contribution, Norfolk Island revenue, public health, other services, legal aid, heritage protection, crown land transfers and land management, KAVHA and other heritage sites, and crushed rock supply. Within each one of those paragraph areas, there are about five or six questions. I think that is the reason why we in the assembly have not been able to prepare comprehensive written submissions to the joint standing committee within this short period. But, as indicated, we intend to do that.

Insofar as the areas fall within my portfolio, I am happy to give information and evidence to this committee on the land initiative and on where we are with specific questions—for example, subquestion (g) in question 4—to deal with where we sit with the preparation of heritage legislation, the heritage register and those issues; to give you some evidence in respect of the crown land transfer and land management; and to give you some update on where we currently stand with the specific issue of crushed rock supply and with question 10, subquestion (d), regarding the establishment of Norfolk Island's own heritage protection legislation in the near future. That is the framework in which I appear before the committee this morning. It is not to answer fully all the issues raised on behalf of the Norfolk Island government but to deal with those specific issues within my portfolio area.

CHAIRMAN—Do you wish to make any further statements, Mr Buffett?

Mr Buffett—Not unless the committee wishes me to make a statement generally on where the land initiative stands before I field questions. If it is the committee's wish, we will attempt to answer questions from the committee. Mr Davidson is here to assist me in the answering of those questions, because this is a fairly large joint initiative of the Norfolk Island government and the Commonwealth to deal with these land initiative issues.

CHAIRMAN—If you have some further statement you wish to make, you can proceed.

Mr Buffett—We will start with the land initiatives, just to put in context where we are at. The reviewing of the package of land legislation and the Norfolk Island Plan has been an ongoing process—it has been going on for some three or four years—and has been done by a joint initiative land task force comprising Commonwealth officers from the department and officers from the administration of Norfolk Island. In short, that has resulted in a number of pieces of legislation going through the process on Norfolk Island, and two bits of legislation have been assented to. They are the Building Act and the Trees Amendment Bill. There are some six other pieces of legislation which, because of the reserve nature of the legislation, are now awaiting Commonwealth assent. They are legislation involving the Planning Act 2002, the Norfolk Island's Planning and Environment Board Act, the Subdivision Act, the Heritage Bill, the Roads Bill and the Land Title Bill.

CHAIRMAN—On that point, when did they proceed finally through your parliament? How long have those pieces of legislation required royal assent?

Mr Buffett—They in fact passed through the process of the Norfolk Island parliament in November and were in a position to be forwarded to the Commonwealth for their assent processes in about the first or second week of December. I think it caught the parliament just prior to its rising for the summer break. I understand unofficially that those bills may well get into the assent process procedures sometime in March or early April. That is the time frame we are hoping for for the final assent to those pieces of legislation.

CHAIRMAN—So it was probably due to the time of the year?

Mr Buffett—I think it is the timing more than anything that has caused that delay.

CHAIRMAN—Sorry to interrupt you, but I just wanted to clear that up. Is that all you wish to say? We will go to questions if you have nothing more to say. Is Mr Davidson going to make a statement?

Mr Davidson—No, I will respond to questions with the minister.

Senator SCULLION—First of all, thanks very much for a real education yesterday, particularly with regard to your handling of waste products and those sorts of issues. I was very impressed with the professionalism with which your team operates. With regard to some of the environmental dumping issues, clearly there is a reasonable concern for a layman like me. If people saw that sort of dumping process on the mainland and in other parts of the world, they would recoil in horror. Those are the sorts of things we see on Greenpeace posters about how not to go about business. Notwithstanding that, you explained to me exactly what the process is and said that it is mostly ash, steel and those sorts of materials that end up in the ocean and that, visibly, while it is not particularly clever, you are working on it. Could you give me some indicative time frames of when you expect the sea-dumping process and what remains of it to finish?

Mr Davidson—I am not sure we are in a position to say when the sea dumping will completely finish; it may never, and that is a matter for the community to come to grips with at some stage. From yesterday's view of the waste management centre that is partly constructed, you can see that we are proceeding. We are hoping to get that centre up and running—that is, fully staffed, with equipment in place, operating, separating waste and in part processing various waste streams—by June. There will still be a need to dispose of some wastes in the sea, but those wastes need to be properly processed so that we do not have partly burnt plastics and other material that is completely unacceptable going into the sea and so that we can make sure that any material that does go into the sea does not include any toxic wastes or any heavy metals. I would hope that that process would be in place by the end of the year and that we will be able to make sure that that is the circumstance. I am not sure that we have an answer at this stage to the question of never putting anything in the sea, and I think there is a long way to go on that.

Senator SCULLION—In terms of the nature of the ash—and we discussed this briefly yesterday—we are not sure about what toxins are in modern materials. For example, I do not know whether there are any toxins left in the ash when you burn a coke bottle, and I think it is

an issue for not only Norfolk Island but also Australia. Have you contacted Environment Australia to see if they have some resources or research happening in that area?

Mr Davidson—I have been in contact with Environment Australia on matters to do with toxic material and with the Commonwealth workplace safety commission—I cannot remember its exact name—for some guidance and contacts in that respect. Jodie Quintal, who has recently left the administration, was our project officer responsible for a number of those issues and was in contact with Commonwealth departments—Environment Australia and other people—about those sorts of issues. With regard to the top tip area, one of the things we are looking at doing at the moment is some soil testing to get a better understanding of the circumstances there before we do anything with that material. We need to set up processes where we have a really good understanding of what our waste stream is: how much of it is potentially toxic and how much of it is not. We already deal with obvious things like batteries and so on and, as far as we are aware, there is no significant contamination of the marine environment with any toxic material.

Senator SCULLION—Going on from your last statement about there being no significant degradation of the environment, in your explanation about that yesterday you said that, whilst the turbidity flume—I think that is the correct term—creates very low light conditions and obviously alters the environment, outside of that there is anecdotal evidence that some people with expertise have dived and verified that. Do you think it is worth while to try to formalise that by conducting some sort of survey to give people a high level of confidence? Do you think it is worth looking at sending those same people out again to say, ‘Can we quantify that in an experimental sense?’ It would be something of great value to be able to measure those inputs and perhaps even measure how it is all returning if that flume ever diminishes.

Mr Davidson—It is of value to do those things, and it comes to resources and how much those things cost. To do a study of that sort, you would obviously need to do baseline studies or comparable studies of areas around the coast of Norfolk Island—perhaps around Phillip Island or Nepean Island, in environments that are local and similar but unlikely to be suffering any degradation from the waste disposal—so that you had a baseline with which to work.

The study that I mentioned yesterday—which the minister has a copy of for you—with regard to heavy metal testing in Crustacea, particularly periwinkles, and in a number of fish species from a number of inshore marine sites around Norfolk Island ought to be repeated at some stage in the future. Certainly they are the sorts of things on the list that we need to do. At the moment we are focusing on the material and processes. We are not going to avoid trying to make sure that we understand the environment well enough to do the right thing.

Senator SCULLION—So you are telling me that it is a good idea as part of your plan but it is resource dependent, which is usually the case?

Mr Davidson—That is right. It is down the track.

Senator STOTT DESPOJA—Mr Davidson, I might just pick up on Senator Scullion’s last point in relation to formalising any assessment or work that you have done. Did you mention—I believe it was yesterday—a Professor Zann who may have done some studies?

Mr Davidson—Yes, that is correct. Southern Cross University did a number of studies, particularly quite a large study on fisheries and Norfolk Island’s marine environment. This is the

final report of the Australian Fisheries Management Authority and Norfolk Island government entitled *The fisheries and marine environment of Norfolk Island: Baseline studies, issues and options for management* by Professor Zann, Glenn Thompson, Daniel Clifton and Chris Kuster from the School of Environmental Science and Management of Southern Cross University. That summarises a number of findings, and that is the study I mentioned yesterday. We will leave this copy for the committee.

Senator STOTT DESPOJA—Thank you. It is good to have that on record so that the committee can review that. Minister, can I ask you a question in relation to the EPBC Act. I was wondering if you could tell the committee if that piece of Commonwealth legislation has assisted or hindered your work as a minister. Or has there been no real involvement with that piece of legislation?

Mr Buffett—I guess it has done both—that is the short answer. In Norfolk—and I guess in a lot of other areas in Australia—the EPBC Act is one of those pieces of Commonwealth legislation about which we will not really be sure of the fallout until decisions or actions that conflict with it are taken within the territories. I have made decisions which may have been subject to the provisions of the EPBC Act. We are currently in the process of sorting out the ramifications of that application. We are not in a position at this time to see where we will end up as a result of that. Given the complexities and wide-ranging effects of the EPBC Act, certainly on Norfolk and in small areas—when I talk about Norfolk I talk about small areas, where we need to have a mix of things happen and where we need to understand the finite nature of the land which we occupy—we will need to pay a lot more attention to its ramifications, not as overriding aspects in any decision we make but to see how the decisions that we make for and on behalf of people living in this community are affected by that act. We will perhaps take some decisions or perhaps discuss with the Commonwealth the effects of that particular action.

Senator STOTT DESPOJA—Has anything actually triggered the act on Norfolk Island?

Mr Buffett—Yes, I have made a decision which has certainly triggered an aspect of that particular piece of legislation. I understand that the applicants who were in receipt of the decision that I made are currently in discussion with the Commonwealth and Environment Australia in respect of how the application of that piece of legislation affects them. I have not been personally involved in that. But certainly it affects us in terms of where we sit as a government and where I sit as the minister responsible for most of the things which will be triggered. I am having discussions with my officers in respect of those actions.

Senator STOTT DESPOJA—If there are issues pertaining to federal law such as those which affect you, obviously you will deal with the Commonwealth generally, but I think it would be useful in terms of the role of the committee to be kept informed so that we are aware of any specific issues that might affect the island.

Mr Buffett—Mr Chairman, I accept that invitation. As part of what we are doing, we will try and identify how the provisions of that piece of Commonwealth legislation may impact on things we need to do to make Norfolk function as a total entity.

Mr Davidson—When the bill was introduced into the Australian parliament and there was a Senate committee inquiry, I think, into the bill, the Norfolk Island government put in a

submission. The submission wanted to impress upon the Australian parliament that about 53 per cent of Norfolk Island was Commonwealth area, including all the roads and so on, and the land initiative we are going through at the moment is intending to address some of that by transferring some lands to Norfolk Island. Given the provisions of the EPBC Act, where certain actions may trigger the act if it is likely to have a significant effect on the environment of Commonwealth land, we could be in a circumstance on Norfolk Island where all sorts of bits of land all over the island would fall under the EPBC Act.

Also, being a small island, we have a high proportion of endemism in species, so we have small populations of particular species, some of which have been listed as and are known to be endangered and some of which we know are endangered or very small in population but have not been listed, such as some terrestrial snails and all sorts of things. But if they were listed then we could have difficulties—for example, if people who have plants in their gardens that are endangered and that are listed want to move and so on. The question is whether or not that triggers the act. About 40 species are currently being considered for listing by the Commonwealth minister—

CHAIRMAN—Are they both flora and fauna?

Mr Davidson—They are flora, as I understand it. They have been to the scientific committee and are awaiting the minister's decision. I have had some discussions recently in Canberra with senior Environment Australia officers about the philosophies, about the way in which the EPBC Act may be applied on Norfolk Island, about the possibilities of a bilateral agreement, which may not be necessary, and about a memorandum of understanding between the Norfolk Island government and the Commonwealth over how the act is worked. Obviously, we are not against protection of species—we are all for that—but, if we find we are in a circumstance where landowners and people who want to do what would appear to be ordinary things find that they always have to go to Environment Australia in Canberra for a decision, it may not gain the support of the Norfolk Island population. It is very difficult to protect the environment and to save species if we do not have the support of the humans here. That is our position, and we will continue to discuss that with them. I am sure that it will work.

Senator STOTT DESPOJA—It is relatively new legislation, as you would know. Apart from those on flying foxes, I do not think there have been a lot of tests, but we have a particular interest in keeping an eye on it. May I ask one more question of either gentleman, but I suspect, Minister, you can help me with it. We have had a number of submissions, including one from the Australian Conservation Foundation, who obviously recognise the unique and beautiful heritage and environment of this island. Mr Davidson, you just mentioned the issue of the land transfer. They are quite critical of that proposed transfer. They have made a number of recommendations to the inquiry, which I will not go into. Do you consult with groups such as the ACF? Have you found that they have been constructive in their work with you as opposed to simply writing to us? Have they been in contact with either one or both of you? Do you have any comment on their particular concerns or recommendations, of which we have about five? If you would like to take that on notice and have not already seen their submission, I am happy to provide you with a copy. I believe it is a public submission. I would be curious to get some feedback for when we are addressing their submission.

Mr Buffett—Certainly we have received submissions from the Australian Conservation Foundation in terms of the full range of matters that have been dealt with under the land

initiative. In progressing the issue those concerns have been considered. When final decisions have been made, they have been made in the context where those recommendations have been considered. Sometimes there is minor agreement; sometimes there is total opposition. All submissions received by the Norfolk Island government and in fact by the Commonwealth via the Commonwealth agencies and departments—given that the whole arrangement and the preparation for the transfer was a joint initiative—have been considered as part of the process. That finds us in the position that we are at. The Commonwealth has made a decision—I understand that it is a cross-portfolio decision—to do the transfer in accordance with the Commonwealth property principles which apply. Having arrived at that position, we are in the final stages of finishing the package or what we call the prerequisites. Having considered all of that input, we are now at the stage of looking at the transfer of crown leaseholdings in the residential and rural categories.

Mr Davidson—To add to what Mr Buffett has said, the philosophy of the land initiative team on Norfolk Island and the Commonwealth officers involved in looking at planning issues and land management issues has been to approach the control of land management through planning instruments and to develop control policies and other sorts of instruments that apply to everybody equally and not through tenure. There is an argument put that land cannot be properly managed unless the people who live on the land do not own the land and that the land should be leasehold. We have taken the view that the same sort of rules should apply to everybody. For instance, with subdivision size, at the moment that is what occurs on Norfolk Island, except you cannot subdivide leasehold land, so changing leasehold to freehold does mean that the land can be subdivided. If we look at the areas of Norfolk Island where the large portions are, I think ACF and other people are concerned that it might be cut up into pocket handkerchiefs and badly managed. But, in fact, the minimum subdivision size is doubling from two hectares to four hectares and that is over a large part of the island. Otherwise subdivision sizes really are not changing. That is an approach by the Norfolk Island government to have controls that apply to all forms of land and to prevent subdivision of those larger areas. When you look at the number of blocks in those larger areas that could be subdivided, given the new subdivision size, there are one or two—if that. Not all of the land in those areas is leasehold. Some is already freehold and so the approach has been to do it through land management policies and procedures rather than through tenure.

Mr Buffett—Further, as part of that process, inspections of all the leases that are now up for transfer were carried out by people from the Commonwealth. They would have an inventory of all the significant species or significant habitats et cetera that would be in the particular areas.

Mr Davidson—For those pieces of land which have significant forest, endangered species or breeding seabirds which the Commonwealth judges are of concern and interest, the transfer from leasehold to freehold is subject to various covenants to protect those parts of the environment. That is our understanding of the Commonwealth's approach and process at this stage.

Senator STOTT DESPOJA—Thank you. Minister, I am happy for you to keep going.

Mr Buffett—Question 9(b) reads:

Will management agreements for lease owners be introduced?

That is across the area. There will be some agreements in respect of those identified habitats that the Commonwealth are of the view should be protected, but in respect of the categories of lease in the KAVHA area—if we might deal with that whilst we are on this—they are not up for transfer at this time because a number of other issues need to be discussed and sorted out and a position needs to be arrived at between the Norfolk Island and Commonwealth governments in respect of the KAVHA area generally. I do not intend to make a submission on the KAVHA area as such but, insofar as there are crown leaseholds and lands in that area and a particular crown lease says they are not up for transfer at this time, as I said, that will be subject to further discussions later on down the track as to the final form that KAVHA ends up taking. That will probably be in the submission of someone else later on in these hearings.

Mr CAMERON THOMPSON—On the Headstone tip site, we have heard you, Mr Davidson, say that we may never stop the sea dumping as part of the disposal mechanism. In the context of that, what work have you done or what effort has been made to determine that that Headstone site is the best site to continue dumping? Has something been done to determine that? Regardless of all of that, is there any move to relocate the dumping and the sewerage outlet offshore away from the island?

Mr Davidson—I think the answer is no to all of your questions. I do not think there has been a study done for alternative sites. All of Norfolk Island's coastline is important and precious. That site has been used for 20 or 30 years. There has been damage close in; of that we can be certain. It would seem to me to not be a sensible move to go and do damage somewhere else. I am unable to say that we will get to a stage in the future where there is no waste going into the sea, but we may well get to that stage; it is just that at this stage we have not gone through that process. We have not got that far with examining the waste management processes and stream. To be able to do that, we would have to ship a whole stack of stuff off the island. We are looking at that at the moment. We are planning to go through those processes, but we are not there at this point.

Mr CAMERON THOMPSON—What about relocating offshore, further away from the island? Also, what about the sewage issue?

Mr Davidson—That has not been considered at this stage, but that does not mean that we should not consider it.

Mr CAMERON THOMPSON—What about dealing with sewage? It is primary treated at the moment. Is there any option of moving to tertiary treatment or of moving the location for the outlet, such as extending it offshore?

Mr Davidson—Not at this stage. We are not aware that there is any significant problem with that. That does not mean that we should not also look at it. It is very important for us to monitor and discover what effects we are having and have had on the inshore marine environment. If significant effects of putting sewage into the sea in the inshore environment are measurable then obviously the community has to make that choice and look at how widespread the damage is and how much damage would be reduced if we spent whatever money were necessary to put the pipeline further out and so on. I imagine the moneys involved in doing that would be significant. They are judgments that we are not in a position to make at this stage.

Mr CAMERON THOMPSON—Mr Buffett, I am diverging to a completely different issue altogether, and it is something in general I like to put to ministers in this forum. There are a couple of submissions in here—for example, one from the Norfolk Island Conservation Society—that say that the idea of self-determination and self-government here is not working. They are saying that perhaps more responsibility should be transferred to the Commonwealth. They are saying things about personal interests that people have.

CHAIRMAN—They may be confidential.

Mr CAMERON THOMPSON—That is why I am not quoting them.

CHAIRMAN—In warning you, I am really warning the minister that we are aware that we cannot actually quote them.

Mr CAMERON THOMPSON—I do want to flush that issue out. What comment do you have to make about that? Is it something that you believe has in any way held back the development of Norfolk Island? If not, why is there this criticism?

Mr Buffett—Firstly, let me say that whatever answer I give needs to be qualified. That qualification is that they will be my personal views, simply because I do not sit here representing the views of all nine members of the assembly in relation to that specific question. Let me put my personal view, which is that we have got self-government. When I look closely at the schedules of the Norfolk Island Act 1979, at the 41 other heads of administered governments that were transferred during that period and at schedule 3 as it stands at the moment, my firm personal belief—and let me clearly emphasise that this is personal—is that we have got self-government. My belief is that, having achieved that aim, the government, the community and the people who have made the comments have now got to face the reality. Having achieved that, are we, as a community and as a government, willing to contribute and to continue to contribute to sustain the autonomy that we have got?

There have been a number of reports by various committees. There has been a report done at the request of the Norfolk Island government and in conjunction with the Commonwealth. I refer to the Commonwealth Grants Commission report which specifically addresses financial and administrative capacity. Once again from a personal point of view, I believe that it is probably the most comprehensive report and a firm basis for making a range of decisions. I also believe that the community has not adequately looked at the basis of those recommendations and honestly said, 'Is this what we really want, can we afford it and are we prepared to put in the necessary effort, funding and general contribution to achieve that aim?'

That Australia should be taking more and more over is probably an individual comment by some people. Some groups may think that, but you also have diametrically opposite views within the community. So we as an assembly—or assemblies, from time to time—need to find how to tread the line between those two opposing views. Once again on a personal note—and I do not hide this at all—I specifically refer you to the last report of the joint standing committee with respect to these issues, where I was quoted at length on what I believe may be necessary to achieve exactly what we are talking about.

I think that what needs to happen with those two opposing views—there is the one that you have mentioned and, as I have mentioned, there is a diametrically opposing view—is that we as

a community need to sit down and discuss those issues. We need to discuss them in conjunction with the Commonwealth because I believe the Commonwealth will not go away. Let me refer this joint standing committee to the policy speech that I published when I was talked into becoming a member of the 10th Legislative Assembly. That is published and is in footnotes to the report of the joint standing committee. I think we need to do this in partnership. I think we need to be adult enough to sit down with the Commonwealth and to look at what we want as a community. Also the Commonwealth has got to be adult enough to understand the aims and objectives of this community and to pay it some respect.

Mr CAMERON THOMPSON—What about the comment that is included there about a perception, in some cases, of conflicts of interest or pecuniary interests and those kinds of things? What steps are being taken by the government here to allay fears about that? Do you maintain pecuniary interest registers and take steps like that to overcome that perception?

Mr Buffett—There is the opportunity for any member to declare their pecuniary interests upon taking up membership of the assembly. As far as I am personally concerned—because I am not speaking now for and on behalf of the assembly's collective; let me restate that—I make no bones about the fact that I have crown lease. I am a substantial crown leaseholder. But when I opted to be in that position the concept of the particular processes that are going through was unheard of. In fact, to explain this, crown leases probably were not the most attractive form of land on Norfolk Island. But, yes, there is room for that, and I think if you have read the *Hansard* of the 10th Legislative Assembly or had the opportunity to listen to the assembly you would know that where members have got a pecuniary interest or conflict of interest they normally declare it.

Mr CAMERON THOMPSON—Do they generally tend to absolve themselves of any discussion in relation to those issues?

Mr Buffett—It would depend on the gravity of the discussion taking place. If there were a decision that would directly benefit them they would abstain from participating in a vote on the issue.

Mr NEVILLE—Is it fair to say that there is a general acceptance in the community of a move to freehold title?

Mr Buffett—The concept and the proposal to move to freehold have certainly been widely advertised.

Mr NEVILLE—What is your feeling of the community attitude to it?

Mr Buffett—I think there is some split in the community attitude. The question of asking the community as a whole—

Mr NEVILLE—What is the argument for retention of the leasehold title?

Mr Buffett—I can only guess. The argument that has been put up by some people is that the ones who will have their leases made freehold will probably benefit. There is the argument that there was probably the loss of that land as crown land but the discussion of whether the whole of that land should be transferred to the Crown in right of Norfolk was certainly one that was

discussed in the early part of this land initiative. Let me inform the committee that at that particular time there were a certain number of crown leaseholders who did not agree to that proposal.

Mr NEVILLE—Do you know what the general objection was? Was it the cost of freehold? Or was it the flexibility of being able to pay an annual fee and not have any other worries?

Mr Buffett—At that particular point, when the representation of crown leaseholders was made to the then minister—as I understand it, not having been in the parliament at that time—they had no idea what the cost was going to be. The representation that it not be transferred to the Norfolk Island government at that particular point was on the basis of two issues, I believe. One was that they did not feel that the land administration had sufficient robustness to protect the crown lands under the crowning right of the Norfolk Island government. I think that was a principal reason for that representation. The alternative that they put up was that we go to freehold, direct to the then leaseholders.

Mr NEVILLE—Has it been suggested that a number of sensitive areas—and I mean highly sensitive; I am not talking about just a perceived sensitivity but a real sensitivity, with a particular block of flora or forest or something like that on a person's property—would remain leasehold, perhaps, and that other less contentious areas be freehold? Has that been discussed as an alternative?

Mr Buffett—It has not been discussed in a public forum because we could have about 30 different views of what is a sensitive area.

Mr NEVILLE—That is not uncommon on the mainland. There is an area of some sensitivity, and the leasehold arrangements apply. Provided that the landholder of that particular lease looks after the property in an appropriate manner, it is never an issue. Where you freehold something and then try to impose governmental controls or even local authority controls over people, you sometimes get either resentment, on the one hand, or outright defiance, on the other. It is very hard to do anything about freehold title. You can counsel people, you can cajole them and you can fine them if they are over the top, but, short of a resumption, you cannot take that land back in any way. Have you looked at zoning or having two levels of residential land, that which is not contentious going to freehold and that which is contentious having a number of sensible conditions on it?

Mr Buffett—The short answer, in the scope of what you have said, is no. But let me put a proposition to you. I said earlier that inspections of all the leases that have been made available were done by the Commonwealth agencies. With the expert advice available to the Commonwealth agencies, I would have thought that they would have had those sorts of considerations at the time when proceeding to make the offer, but no. Given that the Commonwealth minister made specific individual offers to each of the leaseholders on a one-to-one basis, I would imagine that, if we found ourselves in the position that you have explained, they would have made some reservations in terms of the transfer.

Mr Davidson—May I add to that slightly. Norfolk Island is not a complete vacuum with regard to environmental law. We have a Trees Act, under which every Norfolk Island tree species—in some cases, they are three metres tall at maturity—is protected. Under current arrangements with leaseholders, as far as I am aware, there are no restrictions on landowners

running cattle through forest areas, for instance, nor would there be in the future—unless, in the process of transfer, the Commonwealth decides to apply some covenants to particular pieces of land which increase environmental protection from what has been going on for the last however many years under leaseholding. Certainly the laws with regard to the protection of trees on Norfolk Island apply to leasehold and will apply to freehold. It is the same with the protection of birds and so on. People cannot go and destroy native trees without permits; they have to have a good reason. That includes the clearing of land. If somebody wanted to clear a forest, the chances of there not being native trees protected in that area are zero. The other issues include running cattle through land which could otherwise become more pristine and more complete as a forest habitat. It may be that the Commonwealth is intending to have covenants, but at the moment they are not protected in that way.

CHAIRMAN—Could I ask a couple of very quick questions, if I may. What is the difference in the collateral value of crown lease land and that same land when it is converted to freehold? Could you give the committee some idea of the percentage increase, or does it remain the same?

Mr Buffett—Let me answer your question this way, Mr Chairman. I believe that, for those persons who are eligible at this point to buy crown land, there is no difference. There is very little difference, if any, between what a crown lease block would sell for and what a freehold block would sell for.

CHAIRMAN—So you could subdivide a crown lease?

Mr Buffett—No.

CHAIRMAN—You could subdivide freehold?

Mr Buffett—Yes. If the area is subdividable, yes, you can subdivide freehold land. But you should be aware that for some two or more years there has been a moratorium on subdivisions on Norfolk Island.

CHAIRMAN—Is that likely to go on ad infinitum?

Mr Buffett—No. The assembly placed a moratorium on subdivisions pending the resolution of issues involved in the land initiative and the review of the 1996 Norfolk Island Plan: subdivision standards and minimum areas. So there has been, in effect, a moratorium. In most of the rural areas where the crown leases exist, the minimum areas have substantially increased. It would be the intention on the commencement of the new subdivision act that the moratorium act will cease.

CHAIRMAN—When is that likely to take place?

Mr Buffett—When it is assented to and commenced; when the new subdivision act—

CHAIRMAN—Can you give the committee some idea of a date or a year?

Mr Buffett—We are hoping that the assent will go through the final stages in March this year. We have the commencement process which we then need to comprehend. That includes

putting some administrative things in place, which we cannot do until we know that the act has been assented to, and getting that procedure up and running.

CHAIRMAN—Would it be correct to say that, once crown lease land has been converted to freehold, it is more bankable, to use a common term?

Mr Buffett—I think that is probably a moot point. I guess the answer is yes; you could not answer otherwise. But, for those persons who are eligible under the present regime to hold crown leases, I think the lease is just as bankable.

CHAIRMAN—On another issue, are all the offshore islands—I do not mean Norfolk Island—reserved land?

Mr Buffett—Phillip Island is part of the national park and botanical gardens. The others all fall within the reserve.

Mr Davidson—Nepean Island is a public reserve. Islets such as Bird Rock and so on are vacant crown land at this stage; they are not reserved.

CHAIRMAN—Who administers those?

Mr Davidson—They fall under the Administrator's office as vacant crown land. We have not had any proposals to do strange things with those pieces of land, but I imagine the Administrator would seek advice from my office but also probably from Environment Australia and the national parks people on the management of those areas if that became an issue. At the moment, people occasionally visit those islets to collect periwinkles, to fish or to collect whalebird eggs within the approved season, but otherwise they are not visited by people.

CHAIRMAN—Very briefly, are those islands and islets included in the 53 per cent that is Commonwealth land?

Mr Davidson—I am not sure. I do not think so, but I am not certain.

CHAIRMAN—You might be kind enough to take that on notice.

Mr Buffett—We could certainly do that.

CHAIRMAN—Thank you very much. It being almost time to call our next witnesses, I would like to thank you, Mr Buffett and Mr Davidson, for your attendance here today. If there are any matters on which we might need additional information, the secretary will write to you.

[10.31 a.m.]

COTTLE, Mr Richard Arthur, Proprietor, Norfolk Island Block Factory

CHAIRMAN—Welcome. These hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. We are obliged to read that statement to all witnesses, Mr Cottle. The committee has received a submission from you. Are there any corrections or amendments you would like to make to your submission?

Mr Cottle—There may be one. In the sixth paragraph, I say:

This supply has now almost been depleted.

It may indicate that the whole of the rock stockpile itself has been depleted. I meant to say that the supply of crushed rock has been depleted. It may sound like a bit of an anomaly there.

CHAIRMAN—That correction will be noted. Thank you. The committee prefers that evidence be taken in public, but if you wish to give confidential evidence to the committee you may request that the hearings be held in camera and the committee will consider your particular request. Before we ask some questions, do you wish to make an opening statement?

Mr Cottle—I only wish to re-read the submission that I put in to you, if you would like me to. It is one-page long.

CHAIRMAN—Please proceed.

Mr Cottle—My submission is as follows:

There is continuing need for crushed rock on the island. This material forms the basis of all building and road work on the island. However the supply of crushed rock has been sporadic for a number of years.

During 1999/2000, the supply of this material was completely stalled. No crushed rock was available for purchase on the island. All work in the private community came to a standstill. Most affected were those dependent on concrete products, although public roading repairs were also severely affected.

The main reason for this predicament was the fact that no site for crushing rock existed on the Island, that was suitable in the eyes of the community. Personally, I have made application after application for a site, both at Cascade, and at the Airport, but neither the Norfolk Island Legislative Assembly nor the Australian representative on the Island, the Administrator, appear to be able to reach a decision. This has resulted in emergency, short term solutions.

Finally the rock face at Cascade was quarried, and crushed at a temporary site, and transported to various storage sites on the island. This supply has now almost been depleted. Once again we are faced with the prospect of running out of crushed rock.

In the Norfolk Island Plan there is one site set aside for crushing rock. It is situated on Airport Land. This site still has to be approved by the community, have an environmental impact assessment completed, and go through a lengthy consultation process to reach conclusion. Meanwhile the island is in grave danger of once again running out of supplies.

I therefore ask that the Committee look into long term solutions for this problem, namely fast tracking the decisions to be made by our Administration, to provide sites for the crushing of rock on Norfolk Island, and allow crushing operators to get on with the job.

Senator HOGG—Just a brief question: are you the only supplier of crushed rock on the island?

Mr Cottle—At the moment I do not supply crushed rock; I buy the rock from the administration to resell it or to produce other products.

Senator HOGG—Who does the actual production, at this stage, of crushed rock?

Mr Cottle—No-one. Since the contract on the whaling station ceased, there has been no crushed rock grading here.

Mr CAMERON THOMPSON—Were you the one who was doing the crushing of the rock at the whaling station?

Mr Cottle—No.

Mr CAMERON THOMPSON—Given that you want to get into crushing rock, do you have all the equipment? Where is it located?

Mr Cottle—I have a primary crusher on the island. It is a scalping screen and a primary crusher which crushes the stone to 65 millimetres. We can produce certain products with it. But another secondary plant is required with a triple-deck screen; that is another \$300,000, which I am not willing to invest until I have a site to put it on. I have half the equipment but not all, because there is no site.

Mr CAMERON THOMPSON—The problem is locating a site—is that correct? Have you put forward locations that you consider suitable?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—They are?

Mr Cottle—In the quarry at Cascade, where most of the rock is stockpiled—that is my option No. 1. I have always said the crusher should go into the quarry, where the rock is quarried. I have applied for the other site twice now; the second time is still in stream with the administration. It is the stockpile of rock that is located in the reserve, which comes under the conservator, and at the airport. I have a mobile plant. Economical and environmental reasons tell me that we should take the machine to where the rock is stockpiled and process it there before transporting it away.

Mr CAMERON THOMPSON—Given that you are associated with the ongoing supply to other industries of this material, is the lack of crushed rock at the moment causing any difficulty on the island?

Mr Cottle—Yes, it certainly is.

Mr CAMERON THOMPSON—What are the difficulties?

Mr Cottle—My business generally relies on 50 per cent of building work approved by the building board, as well as footpaths, driveways and stuff that does not necessarily need a permit. I cannot obtain any crushed rock to do the jobs that you do not need a permit for. The only way we can access rock is if the customer comes to me with a building permit. Then I can have allocated to me the rock and the metal to produce the concrete to do its job. We have no 20/40 trench metal on the island—we have not had any for two or three months now—which is septic trench metal that goes in the trenches. We are having to make makeshift drainage material to do that. We cannot buy any sealing chip, so there is no private tar sealing being done. We cannot buy any 40-millimetre road base for setting down bases. It is getting serious again. I have five full-time employees working for me at present, and we are working from week to week again.

Mr CAMERON THOMPSON—Do the arrangements applying there meet the building requirements and those sorts of things? You are talking about drainage trenches and those sorts of things—are these makeshift arrangements up to standard?

Mr Cottle—No, they are not.

Mr CAMERON THOMPSON—Really?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—And this has been going on for a couple of months?

Mr Cottle—For four months we have had no trench metal, yes. In some instances people have been using tyres for putting in trenches.

Mr CAMERON THOMPSON—Tyres?

Mr NEVILLE—Are they slurried in with concrete or just on their own?

Mr Cottle—No, trench metal is basically metal that is 20 to 40 millimetres.

Mr NEVILLE—I realise that; I thought you said ‘tyres’.

Mr Cottle—Yes, tyres.

Mr NEVILLE—How are the tyres secured?

Mr Cottle—They are placed in a trench and buried in the ground. All you are really trying to do is create a void where the material coming out of the septic tank, which has been treated, drains into the ground.

Mr CAMERON THOMPSON—This would not be a process that, once you were granted approval, would take long to get under way, would it?

Mr Cottle—No.

Mr CAMERON THOMPSON—Are these temporary, makeshift arrangements that have been going on for a couple of months now fairly widespread?

Mr Cottle—It is becoming quite serious. If you cannot put in a trench, then theoretically you should put in a holding tank and have the material come out of your septic tank and go into a holding tank, which you pump out. In some places on the island, that is what you have to have if you cannot get onto the sewer scheme.

Mr CAMERON THOMPSON—Are the people for whom this work is being done aware that these arrangements are being made?

Mr Cottle—Yes.

Senator STOTT DESPOJA—Mr Cottle, you mentioned a consultation process in your submission and in your opening remarks. Is that consultation process under way? Do you know what the time line is for resolving some of these issues?

Mr Cottle—No, I do not. There are no real criteria that you go through. I have three applications in: one is with the Administrator, because it is on crown land; one is with the conservator, because it is on reserve land; and one is with the administration of Norfolk Island, because they are in charge of the land at the airport. The only one that has gone anywhere really is the one with the airport, because they have to follow criteria. We had a public meeting about 10 days ago to hear it, and I am awaiting some further information or a decision from them.

Senator STOTT DESPOJA—You do not know of a specific time when you might see this process finalised?

Mr Cottle—No.

Senator SCULLION—I understood for the proposed resurfacing of the airport that they are going to embargo a great deal of the material, particularly the first-grade rock.

Mr Cottle—Yes.

Senator SCULLION—I do not know anything about this. Is the remaining material going to be suitable for the sort of stuff that you need?

Mr Cottle—Yes, but it needs to be processed properly, in the right way, to remove the material that is not up to standard.

Senator SCULLION—I do not know how much of the material would be considered high-grade material, but apparently they are not even going to start the process until they have a stockpile—and that is a very wise move—of crushed rock to complete it in one hit.

Mr Cottle—Yes.

Senator SCULLION—How is their embargoing that first going to impact on the supply? Is that going to exacerbate the situation?

Mr Cottle—That is probably the rock that is stored at Cascade in the quarry itself, which is a good rock. There is also quite a lot of good rock in other areas on the island that is stockpiled from the same job, like at the top of Cascade cliff. I have bought a machine that is designed to scalp the material out. I am a quarry manager by trade. I have spent the last 30 years doing this, and I would just like the opportunity to have a go.

Senator SCULLION—Could you describe the quarry to me? I know what a quarry looks like, having worked in a few myself, but I have not actually seen the quarry here. Is it just a standard—

Mr Cottle—To access the quarry, you go past the Cascade pier, up the dirt track, around into the corner and into the valley.

Senator SCULLION—That is the dirt track you see on the right-hand side—

Mr Cottle—That is the old quarry. There was quite a large hole made from quarrying stone out of that area in the last 25 years.

Senator SCULLION—You basically just want to put the plant in the bottom of the quarry somewhere adjacent to the right.

Mr Cottle—That is right. I first applied for that site in 1998.

Senator SCULLION—The reason I ask the question is that, if you have to look at a habitat free area, the bottom of a quarry is generally one. I could not see that the issues associated with an environmental impact statement would usually concern the proponent of that sort of application.

Mr Cottle—I applied for that site in 1998, and it proceeded to the point where I was made the proponent of the property and asked to make a notice of intent, which I did and submitted. Then the Cascade Cliff Safety Project came along. They started quarrying the stone and found that there was not enough area to stockpile all the rock that they were going to get off the cliff, and they said, 'We need your site to stockpile the rock.' So that was basically the end of it. Since that time, enough rock has been quarried out of the quarry to resite it. I have written letters to the Administrator asking whether I should reapply or whether the last application still stands. I am still waiting. I have had a response from the Administrator saying that it is up to the Norfolk Island government to make a decision on it before he can proceed, as the owner of the land, with an application.

Mr NEVILLE—In your verbal negotiations, were there any suggestions of any damage to the amenity—noise, dust or anything of that nature?

Mr Cottle—It is all detailed in a notice of intent of how we are going to go about it. We were coming under the criteria set down.

Mr NEVILLE—Cascade would be a fair way away from residential properties.

Mr Cottle—Yes.

Mr NEVILLE—Who is responsible here for septic systems? Does that come under the environment minister or the health minister or who?

Mr Cottle—I would say that it would come under the building inspector to start with, which would generally come back to the minister.

Mr NEVILLE—Are they approving the use of tyres in the place of rubble?

Mr Cottle—No.

Mr NEVILLE—This island has a very fragile aquifer, has it not?

Mr Cottle—Yes, it is a very precious resource that we need to look after.

Mr NEVILLE—The outlet from the septic systems is not getting proper rubble?

Mr Cottle—No, we need proper trench metal.

CHAIRMAN—Do you supply crushed rock or metal or aggregate at the moment?

Mr Cottle—Yes.

CHAIRMAN—Do you have other competition for doing that?

Mr Cottle—When I say I supply crushed metal, I used to be able to buy it from the stockpile as I required it and then I would resell it to people who only wanted a couple of yards worth. I would deliver that from my yard. You could only get metal from the government on a Tuesday and a Thursday. I would truck metal to my yard and supply a service to the community of reselling the product and delivering it to them, as they required it.

CHAIRMAN—So you would buy it in large tonnages?

Mr Cottle—Yes.

CHAIRMAN—Would you take it from a stockpile as one order and take it somewhere else before you subdivided it down to the smaller amounts?

Mr Cottle—Yes. My plant and equipment is situated in Stockyard Road, where we stockpile rock. We produce ready-mix concrete from there and blocks and pavers.

CHAIRMAN—Who was your competition then? Who crushes the rock?

Mr Cottle—Island Industries. They previously have crushed the rock here on the island.

CHAIRMAN—Who owns that?

Mr Cottle—John Brown.

CHAIRMAN—Is that the Mr Brown who is a member of the Legislative Assembly?

Mr Cottle—That is correct.

CHAIRMAN—Who is the biggest user of crushed rock here?

Mr Cottle—The administration.

CHAIRMAN—And then the Norfolk Island government. You have not had a reply to your request for additional crushing facilities on the island?

Mr Cottle—Concerning my applications?

CHAIRMAN—Yes.

Mr Cottle—After applying for a permit to operate, the conservator has written back to me twice seeking further information. The last letter I wrote asked him where it was going. I have not received anything back from him yet.

CHAIRMAN—This is with respect to an additional primary crusher in the quarry, is that right?

Mr Cottle—No. I have applied for three sites—one is in the quarry, and the application goes through the Administrator because the land is vacant crown land or a public road. On a map it is a public road in the quarry, but it is no longer a road because it has been quarried out. There is a stretch that comes under him which is where I have applied to put the site. It is in the stockpile. He has written back to me saying that he is waiting for some sort of decision from the Legislative Assembly before he can act to make that application proceed. The minister for the environment has written to me saying that he has circulated the application and is waiting for a response back from the other assembly members before he can proceed. I made those applications about four months ago.

CHAIRMAN—I imagine that you have some high-cost equipment.

Mr Cottle—Sitting here doing nothing.

CHAIRMAN—It is being either underutilised or not utilised at all.

Mr Cottle—Yes.

CHAIRMAN—How does that affect your business?

Mr Cottle—Greatly.

CHAIRMAN—To what degree?

Mr Cottle—To the degree that, if we do not get it started very shortly—within a month or six weeks—I will be laying off half my staff.

CHAIRMAN—And what will happen to your equipment?

Mr Cottle—It sits idle.

Senator HOGG—How many staff have you got?

Mr Cottle—Five full-time, currently.

Senator HOGG—How long have you been in the business?

Mr Cottle—I have owned Norfolk Island Block Factory for approximately 15 years.

Senator HOGG—So you have been actually crushing rock here for 15 years?

Mr Cottle—No, I have not crushed any rock here yet. I have only been a supplier of ready-mix concrete and stuff. I have bought my products—raw materials and other crushed products—to make and manufacture concrete products.

Senator HOGG—Getting into the crushed rock is a new initiative?

Mr Cottle—No, I was a quarry manager by trade in New Zealand prior to coming to Norfolk Island.

Senator HOGG—No, I mean for your business.

Mr Cottle—Yes.

Senator HOGG—I am not doubting what you have done. You are trying to expand into another area.

Mr Cottle—I am trying to because I have had enough of running out of metal and not getting the products that I want. I would like to make my own and make it available, as some competition, to the rest of the community.

Senator HOGG—At this stage, apart from yourself, there is one other supplier—is that correct?

Mr Cottle—The only supplier at the moment is the Norfolk Island administration. They let a contract to crush 40,000 tonnes of rock from the Cascade Cliff project on the whaling station at Cascade. Island Industries won that contract, crushed the rock and got paid to crush the rock by the administration—and now the administration is selling the rock.

Senator HOGG—And you buy that rock and sell it on?

Mr Cottle—Yes.

Senator HOGG—So you crush it smaller?

Mr Cottle—No, I just buy the crushed material and mix it with cement to make concrete.

CHAIRMAN—With respect to your ready-mix concrete that you supply, does anyone else supply ready-mix concrete on the island?

Mr Cottle—Yes.

CHAIRMAN—So there are actually two suppliers of ready-mix concrete?

Mr Cottle—Yes.

CHAIRMAN—From where do they get their crushed metal—the same source as you?

Mr Cottle—From administration, yes.

CHAIRMAN—Who owns the other supplier of ready-mix concrete?

Mr Cottle—I believe a subsidiary to Island Industries called BettaMix.

CHAIRMAN—Who owns Island Industries?

Mr Cottle—John Brown.

Mr CAMERON THOMPSON—Your business is a block factory—are you creating blocks?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—Rock blocks or whatever?

Mr Cottle—Yes. We make besser blocks, construction blocks, bricks, pavers—we have about 40 different moulds that we make.

Mr CAMERON THOMPSON—What proportion of your business is that?

Mr Cottle—Block manufacture?

Mr CAMERON THOMPSON—Yes.

Mr Cottle—Fifty per cent.

Mr CAMERON THOMPSON—Is that affected by the supply of this base material?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—Are you not making those?

Mr Cottle—Not at this stage. I managed the stockpile before they stopped any resale of product from the oval, from buying it off administration as you needed a building permit. I stockpiled enough crusher dust to probably see the block plant through for two months.

Mr CAMERON THOMPSON—So you are still in production?

Mr Cottle—Yes. We do all these things, but generally we do not run the block plant for more than 10 days a month because of output and sell. We just keep the stock full. If we have wet days, we go into the plant and make blocks. On dry days, we go out and work. At the moment, my stock is quite good.

Mr CAMERON THOMPSON—Does the potential for you to run out in a couple of months affect all your products?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—Pavers and all those things?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—At that point, what would you be doing?

Mr Cottle—Trying to get the crusher going.

Mr CAMERON THOMPSON—So, zero. There would be no business.

Mr Cottle—We would diversify and do other things. I have a couple of excavators. We would diversify, as we did last time. But we would cut down to a skeleton crew.

Mr CAMERON THOMPSON—You are saying ‘last time’—this has happened before?

Mr Cottle—Yes, we have run out of metal before.

Mr CAMERON THOMPSON—When was the last time this happened?

Mr Cottle—In 1999-2000.

Mr CAMERON THOMPSON—What was the impact on your business then?

Mr Cottle—I went down to a skeleton crew.

Mr CAMERON THOMPSON—For how long?

Mr Cottle—Probably six months. We could do only specific work for the people who had the metal. For example, during that time I was employed by Kaipara Excavators. They had the contract to remove the cliff, and there was a lot of concrete work to do there. SMEC, the Snowy Mountains Engineering Corporation, the managers of the job, bought a lot of metal and stockpiled it there for that job. We had work to do, so long as it was on that job.

Mr CAMERON THOMPSON—So there was one other extended period where you have been out of raw material?

Mr Cottle—Yes.

Mr CAMERON THOMPSON—Were there any other periods?

Mr Cottle—Sporadically, yes.

CHAIRMAN—One more question has arisen, Mr Cottle. Have you tendered to do the crushed metal for the proposed resurfacing of the airport?

Mr Cottle—I hope to, but tenders are not out yet.

CHAIRMAN—They have not been called yet?

Mr Cottle—No.

CHAIRMAN—Mr Cottle, I thank you on behalf of the committee for your attendance here today. If there are any matters on which we might need additional information, the secretary will write to you.

Mr Cottle—Thank you for the opportunity to speak.

[10.57 a.m.]

McCOWAN, Mr David John, Acting Director, Norfolk Island Hospital Enterprise

CHAIRMAN—On behalf of the committee, I welcome you. These hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. The committee prefers that evidence be taken in public but, if you wish to give confidential evidence to the committee, you may request that the hearings be held in camera and the committee will consider your request. Before we ask you some questions, do you wish to make an opening statement?

Mr McCowan—A very brief one.

CHAIRMAN—Please proceed.

Mr McCowan—Following the tour of the hospital yesterday by the joint standing committee, we thought it would be proper for us to give a brief verbal submission to the inquiry to help to clarify matters that may have come up at the hospital, to let you know what is happening for your information and to provide assistance with anything that could be forthcoming in the future or with whatever the standing committee may recommend. As you are probably aware, there have been three recent inquiries into the hospital. *In the pink or in the red?* was the report of a joint standing committee inquiry. There was also the Griffith University inquiry and recently an independent inquiry into matters at the hospital.

CHAIRMAN—When was the last inquiry?

Mr McCowan—It was an independent inquiry brought about by the minister for health, Mr David Buffett, and it was done by two people from the Central Sydney Area Health Service and another person from Canberra, who is an independent person in an IT business. The three inquiries have all had very similar results. They looked at new hospitals, at benchmarking with other small hospitals of the same size in Australia, and at moving towards accreditation processes for standards of care and quality. To do this we would need significant funding, which is very difficult in the current climate. Other areas of concern are costs of medivacs from the island—which have a significant cost factor for us—replacement of equipment, transport of said equipment, future funding sources, increasing budgetary needs for the hospital and capital replacement programs which need to be put into place, especially planning over the next five years for capital equipment replacement. As I said, other areas are benchmarking with other organisations in Australia of the same size and also moving towards accreditation processes to increase quality and to bring our standards up to equivalent standards of a similarly sized hospital in Australia. All these are very difficult areas at the moment for us, considering our limited funding capabilities.

Senator STOTT DESPOJA—I am not looking at the other reports at this stage, although my colleagues might have some other questions in relation to the recommendations that have been made by the previous committee. I was curious as to how the hospital deals with either the disposal or the storage of radioactive waste.

Mr McCowan—We do not have any radioactive waste at this time. We do have a couple of old X-ray machines, which are stored at the hospital in a shed down the back. We are looking at dismantling those and disposing of them through the Norfolk Island waste management area, but at the moment we have not disposed of those.

Senator STOTT DESPOJA—Is asbestos a particular issue for the hospital building?

Mr McCowan—I believe it could be. The building is quite old. It was originally built in 1947, and all fibro sheeting up to 1969, I think, has asbestos in it. I do believe that there would be some problems with asbestos should any renovations be made to the hospital. Therefore, we need to look at how we handle that.

Senator STOTT DESPOJA—There is no particular process in place at the moment or any discussion as to how to deal with that? It is something that you acknowledge will be done?

Mr McCowan—Yes. It was brought up in the recent inquiry and a recommendation was made as to the need to look at how we dispose of the asbestos and treat asbestos sheeting in the hospital.

Senator STOTT DESPOJA—Thank you, and thank you for the tour yesterday. It was very informative.

Senator SCULLION—I noted with interest some of the comments you made yesterday in our very comprehensive viewing of the hospital. Some of the outstanding issues from that are things like the anaesthetic machine. How much longer do you anticipate it can be operational?

Mr McCowan—The medical superintendent, who is our current anaesthetist, believes it has a further life of approximately 12 months to two years. It was on the priority listing but he has informed us that he is able to manage with that equipment for another one to two years before we replace it, if the funds are not available earlier.

Senator SCULLION—About how much would it cost to replace that machine? Perhaps you could take that on notice. It is a lot—telephone numbers! Also there was that strange piece of equipment, for someone like me; what sort of lifespan does the dialysis machine have?

Mr McCowan—The current dialysis machine has approximately six months left.

Senator SCULLION—Six months?

Mr McCowan—It needs to be replaced in the next financial year. Central Sydney Area Health Service, who support the machine and assist with servicing the equipment, have enough spare parts to keep us going for approximately 12 months. However, they do believe that it does need replacing with a newer piece of equipment within that 12-month period. It is obsolete and it is no longer possible to get parts for that piece of equipment. They have enough parts scavenged from pieces of the same equipment that were in use throughout the Central Sydney Area Health Service to keep us going for 12 months.

Senator SCULLION—What will be the effect in six months if it all goes the way it seems to be heading and suddenly you have a machine that does not work? How many people require the dialysis machine?

Mr McCowan—We have two people on haemodialysis at the moment.

Senator SCULLION—Without the unit here, would they have to move?

Mr McCowan—They would have to go away.

Senator SCULLION—Do you have an idea what a dialysis machine costs?

Mr McCowan—The dialysis machine itself costs \$18,500, but on top of that you have consumables which are significantly more. That includes fluids, filters and those sorts of pieces of equipment. Plus, we need an extra rainwater tank, because rainwater is by far the best and purest water to use through the machine. It has been found that bore water does contain some E. coli, which needs to be filtered out and not used. We are able to do that at the moment; we have an ultraviolet system on the filters that is able to kill that bacteria.

Senator SCULLION—What plans are in place for both the anaesthetic machine and the dialysis machine? Obviously these things are going to hit a point—what plans are in place financially? Is there any indication that you have the funds from someone to meet that requirement?

Mr McCowan—At the moment, we do not have the funds to meet those requirements. I will be putting that into the budget for the next financial year under capital purchases and equipment replacement. The gentleman in charge of maintenance at Central Sydney Area Health Service is currently looking around the area for a machine for us. Hopefully he will be able to get that for us at no cost, which would be lovely. His feeling is that, as we are part of Australia, we may be able to get that, but he is unsure about that as yet. We are waiting for Mr Ward to get back to us so that he can let us know how he is going. But I will still have to put that piece of equipment on to the budget for the next financial year.

Senator SCULLION—Are there other pieces of equipment essential to the hospital which are going to meet their redundancy date in the near future and which perhaps I did not see?

Mr McCowan—Yes; we have an autoclave that will need replacing in the very near future. They are valued at around \$39,000. That currently will last another one to two years. However, our backup autoclave has since ceased to function, so the big autoclave will need replacement in the mid-term, two to three years. Now that we have hooked that up to a rainwater tank as well, the problems with that have decreased significantly, to the end where it is not affecting the instrumentation that is being sterilised.

Senator SCULLION—I was very impressed by a third-party endorsement of the quality of the hospital and its food—by some of the patients there. They said that it was absolutely wonderful and they would not like to stay anywhere else. My impression of the hospital, again as a layperson walking around the hospital, is that it has been there a long time.

Mr McCowan—It has.

Senator SCULLION—And it appears from my conversations that much of the material is redundant and needs almost instant replacement. I understand that a report made some recommendation in terms of the replacement of the hospital.

Mr McCowan—That is correct.

Senator SCULLION—Can you tell me a little bit about that? What is it going to cost? What details can you tell me in terms of what the report actually covered?

Mr McCowan—The recent independent inquiry into the Hospital Enterprise put a figure on the complete replacement of the hospital at \$15 million. That is to develop a multipurpose centre, the same as is in place in many rural areas of Australia. That would certainly suit our needs, because it would move right through the continuum, from birth to death. That means that we will be able, on the one campus, to do as we do at the moment, which is look after people from birth, through acute phases of illness, through needing hostel type accommodation where people can still live in their own self-contained unit very close to the hospital and be able to receive help from the hospital if they so need, through to the nursing home situation and then through to death.

Senator SCULLION—Do I take it that that amount of money covers not only the hospital building but all the bits and pieces—the anaesthetic machine, dialysis, autoclaves, X-ray machines and theatres?

Mr McCowan—I do believe that it would cover the entire cost of buildings and equipment.

Senator SCULLION—Because of the costing of this, does this deal with state-of-the-art medical equipment? Is that what you are assuming it is going to be?

Mr McCowan—I would assume so, yes.

Senator SCULLION—Have you got a mind as to where you would put this?

Mr McCowan—At the moment, no. There are two thoughts. There is one to gradually replace the current building and move on a structured plan where parts of the hospital and its current campus could be changed and moved as you went along. The other thought is to purchase another block of land and completely build a new building. We have not delved into that to that extent as yet.

Senator SCULLION—Is there a site available that would be suitable for the positioning of a hospital?

Mr McCowan—Not that I am aware of at the moment. We would certainly need to look into that.

Mr CAMERON THOMPSON—You were talking in the introduction about benchmarking the hospital against similar facilities on the mainland. Can you give me some examples of community hospitals that would have the same kind of requirements as you have? What are the ones that you benchmark against?

Mr McCowan—Dorrigo hospital is very similar in size. It was a 24-bed hospital, and it has moved to a multipurpose centre.

Mr CAMERON THOMPSON—Let me get this straight: what is the difference between a hospital and a multipurpose centre?

Mr McCowan—A hospital basically is an acute care facility. It does not have hostel type accommodation on campus, does not normally have aged care facilities within that campus and mainly deals with acute care. A multipurpose centre, as I said, deals with the continuum from birth right through the aging process. It is a completely extended situation where you have birth, acute care, hostel type accommodation and aged care.

Mr CAMERON THOMPSON—Is the level of acute care that you would expect from a multipurpose centre equivalent to that of a hospital, or is there any diminution?

Mr McCowan—There are sometimes diminutions depending on the type of services that you can offer within that community. In Australia, I am aware that there are normally larger centres within a reasonable distance of the multipurpose centre so that any more serious illnesses and acute episodes can be transferred to one of those larger areas. Unfortunately, we do not have that ability. It costs us significant amounts of money, and people have to go to the mainland or New Zealand for any of those more serious acute care cases.

Mr CAMERON THOMPSON—You are saying that normally multipurpose centres would have the ability to transfer fairly effectively.

Mr McCowan—Yes.

Mr CAMERON THOMPSON—Is that a bit of a shortfall in this plan, then? Given the remoteness of Norfolk Island, if you want to go to a multipurpose centre, wouldn't any reduction in acute capability be of concern?

Mr McCowan—I do not believe that we would have any reduction in our acute capability. We would still have our same staffing requirements. Our medical officer would still need to have their GP type practices with a surgeon and anaesthetist because of our isolation. I do not believe there would be any diminution in acute care services.

Mr CAMERON THOMPSON—I am sorry to be ignorant—I am not from New South Wales—but where is Dorrigo?

Mr McCowan—Dorrigo is up on the North Coast of New South Wales, just inland from Coffs Harbour. It is up on the mountains inland from Coffs Harbour.

Mr CAMERON THOMPSON—How far from Coffs Harbour would that be?

Mr McCowan—It is approximately an hour's drive.

Mr CAMERON THOMPSON—In terms of its operation, if it is like a benchmark or a precedent for your planning, as a 24-bed hospital, which is roughly the same size as your facility, what is its annual budget and how does that compare to yours?

Mr McCowan—Its annual budget actually was quite similar. At the time, I remember the budget for the hospital was \$5.4 million. Our budget is not as large as that.

Mr CAMERON THOMPSON—What was your budget at that time?

Mr McCowan—At that time, it was \$4.2 million.

Mr CAMERON THOMPSON—Would a disparity of that amount—a difference of \$1.2 million in your budget—result in a significant change in the level or the standard of your care?

Mr McCowan—I do not believe so, no.

Mr CAMERON THOMPSON—Would you, for example, be able to replace your kidney dialysis machine?

Mr McCowan—Probably not.

Mr CAMERON THOMPSON—Probably not? It would not make a difference to something like that?

Mr McCowan—It possibly would. Our budget stems mainly from the collection of fees. It is difficult to compare public hospitals in Australia with us because most of our budget is made up from fee-for-service collection. We receive a small subsidy from the Norfolk Island government—at the time that was \$375,000. The rest of our budget is made up from fee collection. We have to keep generating those fees in order to maintain our budget.

Mr CAMERON THOMPSON—When you say ‘fees’, what is the bulk of that fee?

Mr McCowan—It is made up of GP services.

Mr CAMERON THOMPSON—What about the pharmacy?

Mr McCowan—The pharmacy also has a significant input into the fees we receive.

Mr CAMERON THOMPSON—I understand that that pharmacy is the only one on the island and no-one else can come in and set up a pharmacy.

CHAIRMAN—It is the only dispensing pharmacy.

Mr McCowan—It is a dispensing pharmacy to service prescriptions.

Mr CAMERON THOMPSON—And no-one else can come in and set one up?

Mr McCowan—No, not as far as I am aware.

Mr CAMERON THOMPSON—So you protect it as a way of providing you with revenue?

Mr McCowan—Yes.

Mr CAMERON THOMPSON—I would like to return to financial issues. I am interested in that difference because, if the benchmark is a hospital with 24 beds and a budget of \$5.4 million, you are somewhat behind that. Do you think that should be of concern locally and should steps be taken to try to increase that annual operating budget?

Mr McCowan—Yes, I do. An increase in the operational budget would certainly allow us to plan for future requirements—in particular, capital replacement requirements. As machinery and equipment wear down and reach the end of their useful lifespan, we would be able to replace them before they actually broke down and caused an emergency situation where they had to be replaced immediately. If we were able to plan for that, then the annual budget would be able to supply those machines as long as we had a solid plan. It would also allow a little bit more for such times when equipment breaks down and you do need it. We could then replace any equipment that breaks down within that lifespan, which does occasionally happen.

Mr CAMERON THOMPSON—Have you had emergency situations that have arisen because of the breakdown of equipment?

Mr McCowan—Yes, we have.

Mr CAMERON THOMPSON—Are you able to give me an example?

CHAIRMAN—You may take it on notice if you wish.

Mr McCowan—Yes, I will do that.

Senator HOGG—In your annual budget, are you required to put money aside each year for the purchase of future capital equipment that you might need?

Mr McCowan—We are not required to at the moment. With our annual budgets we put in for capital equipment acquisitions for that year.

Senator HOGG—There is no forward program where you look perhaps five years down the track and say, ‘We will need to replace X, Y and Z at that time’?

Mr McCowan—At the moment that does not occur.

Senator HOGG—In terms of the replacement of the hospital itself, is it possible, under the concept that you are proposing, to replace the hospital in stages or do you need to replace it all at once?

Mr McCowan—I think there have been proposals to do it both ways. The latest one that I have seen, which was done a couple of years ago, was to do it in stages because we do have the land available there on the current site.

Senator HOGG—If you were to do it in stages, what period of time would you be looking at?

Mr McCowan—I believe it would need to be over a 12-month period.

Senator HOGG—As short as that?

Mr McCowan—Yes.

Senator HOGG—So you could replace the whole facility in a 12-month period?

Mr McCowan—Yes, I believe so.

Senator HOGG—In terms of the medivacs, can you give us some costings of those, for the record?

Mr McCowan—The latest emergency medivac we did to New Zealand, which was two weeks ago—and this is through private air ambulance services—cost \$23,000.

Senator HOGG—Is that New Zealand dollars or Australian dollars?

Mr McCowan—It is New Zealand dollars. Currently, an emergency medivac to Australia costs in the range of \$35,000 to \$45,000, depending on the air ambulance company.

Senator HOGG—Is that to any particular part of Australia?

Mr McCowan—To Sydney or Brisbane. Brisbane is normally cheaper—usually \$35,000.

Senator HOGG—So you have given us the range. Who bears that cost?

Mr McCowan—It depends on who is being transferred. If it is a local—an islander or a resident of Norfolk Island—it is carried by the Norfolk Island administration, unless they have private health insurance. For visitors to the island, if they have travel insurance, it is borne by the travel insurance companies; if they do not have travel insurance, it is borne by themselves.

Senator HOGG—How many tourists who arrive here do not have appropriate travel insurance to meet those costs?

Mr McCowan—I could not tell you the exact figures, but I would say that there are some who cannot get travel insurance or extensive travel insurance because of their age or pre-existing conditions.

Senator HOGG—So are those tourists who are coming here aware of the cost of the medivacs?

Mr McCowan—No, they are not, as far as I am aware.

Senator HOGG—What would be the avenue for those tourists becoming aware of it?

Mr McCowan—I believe it is through the tour wholesalers and travel agents.

Senator HOGG—I want to return to the replacement of the hospital, because I forgot to ask one question. How long would it take to get a new facility up and running after a decision had

been made to replace it? I just want a rough time. I know you are not a construction engineer, and neither am I, so I am not holding you to an exact time.

Mr McCowan—Probably about 18 months, I would hope.

Senator HOGG—Let us say a decision were taken even tomorrow; it would still be another 18 months before your facility would be fully operational. What I am trying to get at mainly is the dilemmas you will face in that period, in terms of failure of equipment. I do not want you to retrace what you went through with Senator Scullion; I am just saying that it looks as though the infrastructure in some of the place is ready to cark it now.

Mr McCowan—I believe we could manage for at least 18 months to two years in our current facilities. Going from the beginning with the engineering specs right through to design and then commencement of building, it would hopefully take 18 months to two years but, as I said, I am not a builder.

Senator HOGG—No, I am not holding you to that. I am just trying to get some idea. It seems to me, therefore, that you will need to take some remedial steps in the existing premises, just in terms of infrastructure.

Mr McCowan—That is right. Equipment infrastructure, yes.

Senator HOGG—Yes, equipment infrastructure, in particular.

Mr McCowan—Hopefully, if we get new equipment there, we could transfer that across to a new facility if it is so built in the time.

Senator HOGG—Thanks very much.

Mr NEVILLE—Could we have a breakdown of that \$15 million—even a one-pager on roughly where the cost areas are?

Mr McCowan—Could I take that on advisement?

Mr NEVILLE—Yes, that was the idea—that you would supply the committee with it and we will have a look at it. So you envisage that this facility would have birthing suites?

Mr McCowan—Yes.

Mr NEVILLE—It would have a surgical and medical ward?

Mr McCowan—Yes.

Mr NEVILLE—It would have a children's ward?

Mr McCowan—I am not too sure about a children's ward. It is something we would need to consider. Knowing the length of stays now for paediatrics, we would tend to transfer any serious paediatric illnesses to the mainland as quickly as possible.

Mr NEVILLE—If you had a bad outbreak of croup or something on the island, what would you do then with the kids? Would you bring them into hospital?

Mr McCowan—Yes.

Mr NEVILLE—They just use the private rooms; you put a couple of beds into a room or something like that?

Mr McCowan—Yes, that is correct.

Mr NEVILLE—What degree of imaging would you use: just standard X-ray, or would you go to any form of scanning?

Mr McCowan—I believe we would stay with standard X-rays at the moment. I do not believe we would have the need or the ability to do any great degree of scanning et cetera. We do have ultrasound capabilities, but they are very minimal.

Mr NEVILLE—Quality ultrasound would be about as far as you would go.

Mr McCowan—Yes.

Mr NEVILLE—Has that X-ray equipment got to be upgraded too?

Mr McCowan—The current X-ray machine itself and the bucky stands et cetera are fairly new. They are only a couple of years old, so I believe that they would be, at the moment, quite satisfactory for our needs, but that is something that I would need to look into more seriously.

Mr NEVILLE—What do you do here for mammography?

Mr McCowan—We do not do mammography at all. Normally, people who wish to have a mammography attend a travelling mammography unit when they go to the mainland or New Zealand on holidays.

Mr NEVILLE—No unit visits here?

Mr McCowan—No. We tried to obtain a visiting mammography unit several years ago on a regular basis, but the problem was finding a means by which to transport the unit to the island, because it is fairly large. The time frames that it takes to bring the unit from Australia mean that it would be out of action from wherever we were obtaining it from for a period of time. It ended up being fairly difficult to arrange for that unit to come over. We did try.

Mr NEVILLE—You have never tried for a smaller, second-hand unit that some country hospitals have used?

Mr McCowan—There was certainly talk about a second-hand unit. There is a group of people on the island who are currently attempting to raise funds for such a unit. There are concerns, however, about quality of pictures et cetera and how that would go, but there is a

group that is definitely trying to raise funds for a small, second-hand unit to be used on the island.

Mr NEVILLE—How many women have you got in the at-risk group? Have you ever done a count?

Mr McCowan—I have never done a study. I cannot tell you, I am sorry.

Mr NEVILLE—Would this multipurpose facility include hostel type accommodation as well?

Mr McCowan—Yes, it would.

Mr NEVILLE—Although the independent hostel type accommodation has not been very successful thus far.

Mr McCowan—Not thus far. As I said yesterday, a lot of families prefer to keep their elderly at home and look after them at home on the island.

Mr NEVILLE—That is the ideal, of course.

Mr McCowan—Yes. There are a few who have moved to Norfolk Island, have aged and do not have the extended families that the islanders do. The facility would be there for those people who do not have the extended families as well.

Mr NEVILLE—Then you would go into aged care and palliative care as well?

Mr McCowan—Yes.

Mr NEVILLE—You say \$15 million.

Mr McCowan—That is the figure that has been given to us by the independent inquiry team that came over. That was their estimate.

Mr NEVILLE—I suppose it is a bit of an unfair question, as you do not have the minister with you at the table, but is there any suggestion at this stage of what proportion of that the administration could handle? Has that figure ever been bandied around?

Mr McCowan—Not at this time, no.

Senator HOGG—Following on from Mr Neville's questions, what do you do for dementia patients?

Mr McCowan—Dementia patients are housed with us at the hospital on-site in the aged care unit up there. What we tend to do is have an enclosed room which can be locked, and they are watched closely.

Senator HOGG—So you would have a dementia unit in your new facility as well.

Mr McCowan—Yes.

CHAIRMAN—I thank you for your attendance here this morning, Mr McCowan. If there are any matters on which we need additional information, the secretary will write to you.

Resolved (on motion by **Senator Hogg**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 5.47 p.m.

The following excerpt was originally heard in camera on 18 February 2003, but was authorised for publication by the committee on 26 August 2003:

MAGRI, Ms Patricia Christian (Private capacity)

PEDEL, Mrs Helen Lilian (Private capacity)

CHAIRMAN—I now declare open this in camera hearing of the Joint Standing Committee on the National Capital and External Territories. I welcome Ms Trish Magri and Mrs Helen Pedel from the Norfolk Island Central School. Do you have any comments to make on the capacity in which you appear?

Ms Magri—I am the librarian and teacher of information technology at Norfolk Island Central School. I am here as a citizen concerned about lifelong learning and the opportunities that are available to young people on Norfolk Island for apprenticeships and post-compulsory education.

Mrs Pedel—I am the Assistant Principal at Norfolk Island Central School. I have been a long-term teacher at the school, and I am concerned about the direction education is taking.

CHAIRMAN—Ms Magri and Mrs Pedel, before we ask you both some questions, do you wish to make an opening statement?

Mrs Pedel—Yes. I have been teaching here now for approximately 20 years. I am what is classed as a local teacher. Trish is a born and bred Norfolk Islander who has been the librarian and is now also the IT teacher. We have had a long association with the school, with education on Norfolk Island and with various ministers of education and government representatives over that period. We think we have a fairly good understanding of what happens here within the education arena. It is because of changes that have occurred over those years that we would like to have this little chat with you.

CHAIRMAN—Would you like to elucidate those changes that you are not happy with?

Mrs Pedel—I think education is currently classed as schedule 3, if I recall rightly, which means that the Commonwealth retains a degree of control over Norfolk Island. Previously, many years ago, it was fully funded by the Commonwealth or NSW but, with increasing independence for Norfolk Island, education was handed over. Norfolk Island now buy the education package from New South Wales. It is a very expensive package for them, but I do not think all members realise that it is a very valuable and effective package that they are buying. They are getting very good value for their money because, in essence, Norfolk Island buy the teachers' services—so they pay for salaries and online costs—and everything else is supplied with the teachers: the curriculum, the access to testing, consultants and all the departmental support that goes with any New South Wales school. It is very important that that continue.

Over the years, we have had a number of ministers bring up concerns about the cost of education as it is a big part of their budget, as it is with any state budget. Quite often the school is thrown into a bit of turmoil because they talk about cutting costs with education, trying to

break away from the New South Wales package—because they are locked into the salaries package, more than anything—buying cheap teachers from New Zealand and stopping year 12 education because it is not cost-effective for a small community. It seems to raise its ugly head every two or three years or every change of government with the same sorts of people and, obviously, new people. What we are concerned about is that the Norfolk Island government do not always understand the importance and the relevance of education to the changing demands of society. All they see is the dollar cost, and they are baulking at it. Someone will start talking about how we can save money: ‘Let’s get rid of some of the teachers. Let’s pay them less.’

Ms Magri—‘Get rid of years 11 and 12.’

Mrs Pedel—The matter of years 11 and 12 is often a serious issue. It was introduced a number of years ago as an alternative to children having to leave Norfolk Island and go to the mainland to pursue their further education. That provided difficulties for a lot of parents, simply because they cannot afford to send their children over there, they have not got family backup to support those children, costs are increasingly high and, quite often, the children do not settle over there without the family network to support them. We see the value of maintaining that education here to year 12 as vital. It should not be questionable, yet many different government members continue to question it and continue to question the cost of education.

CHAIRMAN—Who do they question, Mrs Pedel?

Mrs Pedel—The questions are brought up all the time in the assembly. Questions are tabled, the school starts getting the flak and we have to spend so much time and energy doing investigations for them on different things to try and validate the reasons for being there. It should be fairly simple. You need to invest in your children’s future, and the only way to do that is by providing them with a decent education.

Senator HOGG—Can I just stop you there? There is only nine of them, so is that nine out of nine or is it five—

CHAIRMAN—In the assembly.

Mrs Pedel—It can be as few as three or four who start causing problems. It could be one. In the past, our minister for education—who one would think would be quite supportive—has been the worst denigrator of education here on Norfolk Island. It does not make for easy teaching; it does not make for a happy and safe school; and it undermines the stability of the children, the community, the parents and the staff—but I do not know how you stop that. I do not know how you make them understand how valuable education is, because all they keep seeing is a continual drain on funds that could be redirected elsewhere. We pay for the salaries of our teachers. We pay for everything that is needed at school. If we were a New South Wales school, we would actually get equipment and things supplied as part of the roll-out in the properties department; but Norfolk Island does not get that, so we have to buy everything.

CHAIRMAN—When you say, ‘We pay for everything,’ you mean that the Norfolk Island government pays for it.

Mrs Pedel—Yes. Not me particularly. My credit card could not cope with that. The Norfolk Island government pay for the education package and all equipment. They get a lot of support

from the P&C and the community, which is great. The community think a lot of their school and they value the work that is being done. Unfortunately, it is members of the government who do not always value the education. Very often, we have got huge costs to try to keep up with the changes in basic expectations, such as computer technology. In New South Wales schools, the computers are rolled out, dished out, but we do not have that luxury. We have to purchase all of those things, so there are huge costs. A lot of our buildings are in need of repair. That is a huge cost, so it is really only maintenance that gets done. Previous inspectors who have visited have told us that, if we were literally a part of their school system, we would be a priority for their building programs, but the government here cannot afford it because there are so many things tapping into their limited funds.

One of the things we have tried to do at different times is to access Commonwealth funding that becomes available for education. We have not been able to do that, and I am a little confused as to why, because when you read the Commonwealth reports on education you see that a lot of the money is earmarked for schools such as ours in isolated rural areas and for programs such as the staying-on programs and VET programs. They do have a lot of money available for funding, yet we have not been allowed to tap into that. I am not sure if that is a Commonwealth attitude or if it is more that our government do not allow us to tap into it. It is a bit to do with pride—pride does not allow them to ask the Australian government for some help when we really need it. We have had lots of times when that funding would be almost essential to the running of the school, and we have not been allowed to access it. So that is another one of our concerns—that perhaps there is some way, through the right channels, that that could be arranged. We are a small school; it does not cost an awful lot to fund things, in comparison with many other schools. There is all this money available under guidelines that we know we fit into so well, but it is like a closed door to us. Trish would like to talk more about the VET side.

Ms Magri—My particular concern is about vocational education and training and the fact that there are no avenues for Norfolk Island young people, or people of any age, to register as apprentices. In the past, we have had apprentices register in New South Wales, and that process continued until the 1980s when a very generous community member created a scholarship. That scholarship not only provided opportunities for students to go away to a boarding school to complete years 11 and 12, which were not available on the island, but it also included apprenticeships. The recipients of the scholarship went to Newcastle, they were provided with accommodation at the Essington Lewis House and they were supported in their apprenticeships through the Hunter Valley Training Company. That process for years 11 and 12 still exists; the process for apprentices does not. With the introduction of the New Apprenticeships scheme in New South Wales—and I think the New Apprenticeships legislation is Commonwealth legislation—Norfolk Island is specifically excluded.

So there are two aspects to my concerns. One of them is that there is no avenue for students or anybody to register for an apprenticeship. The other is that, with Norfolk Island being specifically excluded from that legislation—and the paragraph says, ‘This applies to all states and territories of Australia, excluding Norfolk Island,’ so it specifically excludes us—that cuts off the avenue for our young people to take up a career. I do not know whether it is a matter of Norfolk Island not contributing towards the taxation process, but it just seems discriminatory for young Australians here on the island who will probably work in Australia for a great part of their life at some stage if they are taking up an apprenticeship. I would like to see that situation clarified.

The other problem for people who are in the process of an apprenticeship—that is, they had started it before the introduction of the New Apprenticeships scheme and are registered through either the Hunter Valley Training Company or some other provider in New South Wales—is that there are no provisions for block courses of training if they have to do their technical training in a TAFE college. There are not very many block courses in New South Wales. There are some available in Queensland, but, if they go to a TAFE college in Queensland, in many instances they are asked to pay full international fees, which can be as much as \$3,000 for a block course of four or five weeks—and they might have to do that four or six times through an apprenticeship. But that is only at some TAFE colleges. There seems to be an inconsistency, because other colleges do not charge those high fees. That anomaly needs to be clarified somehow. Where does Norfolk Island fit in? How can we do something for our young people to train them and give them the skills that are needed? That is my concern.

Mrs Pedel—It is very hard to figure out exactly where we stand. If you are aware of the political debating that goes on here, you would know that some people believe that we are definitely part of Australia—we are Australian citizens—and others believe that, no, we are an independent nation almost. Our children are caught in the middle of that. Yet we are Australian citizens; we hold Australian passports. Trish and I are very proud of that fact; others might not be. We are educating children who mainly go off to Australia—a few go to New Zealand—so we are providing the Australian mainland with well-educated children. Our standards are really high, and our results support that, yet our children are being disadvantaged because of these anomalies that Trish is talking about.

CHAIRMAN—I am going to ask the committee whether they would like to ask you some questions now. I will start with Senator Hogg.

Senator HOGG—I want to go back to your part of the evidence where you spoke about the inspectors from New South Wales. What overseeing is there of the education sector here to make an assessment of the quality of the delivery of service and what needs your education system might have?

Mrs Pedel—We basically run as a New South Wales school, so all guidelines that cover New South Wales schools cover us. We have to meet all requirements: we operate on their syllabus, we do their exams, our inspector comes over at least once a year, we fill in the same monitoring reports and we do the basic skills test, the HSC, the School Certificate and all the sorts of things that make up ongoing monitoring of our children's progress. All of our reports have been very good. Our teachers are merit selected. We are probably the only public school in New South Wales that has fully merit selected staff. That does not happen in most schools. In the main, the quality of teaching is very high. Our students get the benefit of that. The results, which are part of the normal New South Wales process, verify all that. Basically, we have the same checks that New South Wales have.

Senator HOGG—So a New South Wales inspector comes and makes an assessment of the work program, the way in which the school is being run, the teachers and so on—I presume they would make some recommendations, then, as to where they saw defects or things that need to be changed and so on. If that involves money, who conveys that to the local minister? Also, do the government then seek to put aside in their budget the appropriate allocations to overcome those defects and those faults that may have been spotted by the inspector, to bring your school up to scratch with New South Wales?

Mrs Pedel—It would be lovely if they did, but they do not. The superintendent will come over, do a school inspection and make recommendations through a report that tells you basically how you are going. Usually ours is pretty good. There may be some things that he recommends, but they are more in the line of saying things like, ‘Your basic skills results are very good—what are you doing to improve the top? You are increasing your slower or less-achieving children, and they have a huge growth from year 3 to year 5—what are you doing about extending your top end?’ It is those sorts of recommendations they usually make. Some have been over in the past and said, ‘That is an occupational health and safety issue. You really need to look at that.’ Things have been done. But we are going back years, when there was more money available. They do talk to the minister. We have a fairly supportive one at the moment, but he is one of nine, as you said before. There are not an awful lot of recommendations they make that are in terms of money. They will say to us, ‘You’re going to need to look at improving your computer technology access,’ and we then work out how we are going to find the money.

Senator HOGG—How long has the trend been that your finances are being squeezed? Is this something that has happened in the last two to three years, or has it been over the last 20 years?

Mrs Pedel—It is always an ongoing problem with people looking at the cost of education. One of the problems is people’s perceptions. Because our New South Wales staff are paid the same salary as New South Wales teachers, we have what looks to be a higher salary here, because generally salaries on Norfolk Island have been lower because of having no tax. Some of those salaries are actually quite low. We are seen as being extremely well paid; therefore, we are costing them a lot of money; therefore, they ask how we can save money. That sort of thing has been going on for many years—probably almost 20 that I can remember. Particularly in the last few years there have been a lot of cuts—not just in education but across the whole island. They are finding it very difficult to meet their obligations, not just in education and but in the normal infrastructure on the island, such as the roads, the health care services and that sort of thing.

Senator HOGG—As my last point: you made the point that you did not know whether it was the Commonwealth’s attitude or the government’s attitude that did not allow you to tap into the federal funding, but I got the feeling that you felt it was more a local government attitude than anything else. Is there anything that you can put your finger on that gives direct evidence of that, or is that just an anecdotal feeling, a gut feeling, from your experience of the people in the job over a number of years?

Mrs Pedel—It is a little more than a gut feeling. In some senses there is a bit of hypocrisy here, because the government has been able to tap into funds for other things. We are part of the Networking the Nation funding and we have had funding for the stabilisation of Cascade Cliff. When we did ask a number of years ago, particularly just after the introduction of year 12, we spoke to the official secretary in the Administrator’s office and asked them to find out whether we could tap into the money that was available through Commonwealth funding. The answer he gave us was, ‘No, you can’t because this government chooses not to.’

Mr CAMERON THOMPSON—I want to clear up what you said about salaries. You said that the teaching staff are paid the same as New South Wales teaching staff.

Mrs Pedel—We are staffed on New South Wales regulations through the department. We are paid by the department and the cost is reimbursed every six months. In fact, Norfolk Island only pay six months at a time. They are not paying out continually through the year. They reimburse New South Wales for the cost of our staff.

Mr CAMERON THOMPSON—Are you saying that your salaries are not depressed like other people here who are paying no tax? You are paying no tax and still have a high salary—is that what you are saying?

Mrs Pedel—Yes. We are on a New South Wales rate but we are not being taxed because we are on Norfolk Island. Our salaries are a normal salary of mainland Australia—not a terribly high one, just an average sort of salary—yet here, because the salaries are generally a lot lower than you would get in Australia, it is seen as being particularly high.

Mr CAMERON THOMPSON—Do you think that there is a kind of a jealousy or a desire for punishment wanting to drive that down?

Mrs Pedel—There is a little degree of resentment or perhaps envy: ‘Why should you be getting this when we are only getting that?’ Perhaps there is an inability to understand how the system works. But people who are involved in education do not resent that at all. I do not mean as staff—of course we do not resent what we are getting—but parents and other community members that get involved with the school see what is happening and you get comments like ‘You deserve every penny you get’ or ‘You deserve a gold medal’ or something like that. Other people who are less involved wonder why.

Ms Magri—It is that public perception of teachers: they have long holidays, they finish at three o’clock; what do they do? That is the public perception. There are a lot of people on the island who believe that teachers have long holidays and that we do not do anything after the bell goes at three o’clock. Those who know what teaching involves know that it is not very right at all.

Mr CAMERON THOMPSON—Are there other categories of employees here who get a mainland salary and do not pay tax on it?

Ms Magri—Yes.

Mr CAMERON THOMPSON—They would be the police, I suppose.

Mrs Pedel—The police, Telstra workers—not our local Telecom workers—the Administrator, clergy, bank employees—

Senator HOGG—What about Environment Australia?

Mrs Pedel—Yes. Parks and wildlife, I think. There was the DCA, but there is another story—Norfolk have taken over the airport now. They are responsible for running it. It is a huge cost and we cannot really afford to do it.

Mr CAMERON THOMPSON—If that results in jealousies or some sort of backlash against the school, how does that manifest itself? Is it being short-changed in terms of resources?

Mrs Pedel—Not really in that respect, because we are fairly careful in what we do. We budget from year to year. That is set, so we know what we are prepared for in the next year. It is more the comments that can be made to people, like the continual attitude of ‘Let’s look at cost-saving measures again.’ I suppose it is almost a personal feeling, isn’t it?

Ms Magri—The question of localising teachers’ wages comes up on a fairly regular basis. It is a provocative question that is asked by one particular assembly member on a fairly regular basis; it is the same assembly member that asks it each time.

Senator STOTT DESPOJA—Who is that member?

Ms Magri—There is one who is in there monotonously asking that question every time. Others have been in and out. In fact, two or three of our previous ministers for education were not voted in again after agitating for this sort of thing; the public felt they were not confident in them.

Mr CAMERON THOMPSON—Looking at it the other way, there seems to be a whole local structure in place for most things and yet it seems to fall away in a couple of areas. If you were to look at an ideal way for education on the island to be run, would you be advocating to become part of the mainland system and to pay tax the same as everybody else? Would you think that would be a better system than facing the vagaries of the existing arrangement?

Mrs Pedel—That is a difficult one, because taxation is a vexed issue for a lot of people—perhaps more with the chamber of commerce. The more responsibilities they take on as an independent island, the greater difficulty they have in meeting all of those responsibilities.

Mr CAMERON THOMPSON—I do not know if the Commonwealth runs any schools; most of the state schools are run at the state level. Rather than it being a Commonwealth thing, could you just be an offshoot of New South Wales?

Mrs Pedel—We once were.

Mr CAMERON THOMPSON—Would that be a better arrangement?

Mrs Pedel—I would say yes, but some may say no. We were previously—what, until the seventies?—a New South Wales school, run and funded by New South Wales, but that has changed with greater independence.

Mr CAMERON THOMPSON—Are you saying that has changed for the worse?

Mrs Pedel—I am not sure about that, because that is before my time. All I see is that, in the past 20 years—particularly the last five to 10—they are struggling more and more to meet their responsibilities.

Senator STOTT DESPOJA—I have just a couple of quick-fact questions. How many students do you have at the school?

Mrs Pedel—Roughly 320.

Senator STOTT DESPOJA—Is that fairly average? Is that standard?

Mrs Pedel—Yes. We have about 220 in years K to 6 and just over 100 in years 7 to 12.

Mr NEVILLE—Roughly how many in years 11 to 12?

Ms Magri—About 28 to 30.

Senator STOTT DESPOJA—What is the budget of the school in total, excluding salaries? How much money is there? I am happy for you to take any of this on notice.

Mrs Pedel—That one we can check up on fairly easily. I was looking at the budget this morning and it was something like \$1.8 million in salaries, but that included all clerical and grounds staff.

Senator STOTT DESPOJA—How many staff do you have?

Mrs Pedel—About 25 or 28.

CHAIRMAN—In total?

Mrs Pedel—Yes. That includes clerical and ancillary staff.

Mr NEVILLE—How many classroom teachers?

Mrs Pedel—We have eight K to 6 teachers, an RFF teacher, a learning difficulty support teacher who also acts as the school counsellor, and then we have—

Senator HOGG—What is RFF?

Mrs Pedel—Release from face-to-face teaching. It is one of the conditions of employment in New South Wales. There are about 12 secondary teachers.

Senator HOGG—For how many?

Mrs Pedel—For 320 kids.

Mr NEVILLE—That is 22 classroom teachers of one sort or another and six ancillary staff. Is that right?

Mrs Pedel—About that, yes, plus the principal.

Senator STOTT DESPOJA—That is helpful in giving a bit of a snapshot. You mentioned a P&C, so there is a parents and friends—

Mrs Pedel—Parents and Citizens Association. They are very good and very supportive of the school. They raise funds for the school. Often, it is those funds—

Ms Magri—We could not do without them, actually.

Mrs Pedel—We depend on their support to get certain equipment for the classroom programs.

Senator STOTT DESPOJA—Increasingly so, by the sounds of things.

Mrs Pedel—Yes. We talked about the situation with buildings: we have been in dire need of a new administration block, but we also needed additional classrooms. Funding was finally put aside for that, but they discovered that they did not have enough money to complete it all. They built the three classrooms, one of which will be a new technology room, but the administration block was not funded. That was actually the main reason for it being done, and it missed out. We now have to look at funding alternatives to get that project completed. One of the options was to ask the P&C if they could donate some of their Easter carnival fundraising money towards the completion of an administration block. I do not know if that is going to happen, but I really do not believe it should be a Parents and Citizens Association responsibility. It should be a government responsibility.

Senator STOTT DESPOJA—Do you have any fees and charges for students and their families? Are there any incidental charges?

Mrs Pedel—Incidental, yes—in fees for things like food tech and visual arts equipment. School fees as such, no. The P&C asks for a voluntary contribution of \$10 per term per child.

Senator STOTT DESPOJA—Have there been any substantial inquiries into the state of education on Norfolk Island initiated by the Norfolk Island government? For example, we have heard today about health inquiries, including one initiated by the government. Has there been a comparable inquiry or mooted inquiry in recent times into education?

Mrs Pedel—Not recently. The last time that I remember them actually looking into things was one of the times that the independent schools issue raised its head. It was quite a contentious issue at the time that one of our principals unfortunately got caught up with. They did appoint an independent committee here of about three or four people who looked at the cost of an independent school as compared to a public school. Basically, they came to the conclusion that we were far better off remaining as we were, as a public school, than trying to become an independent school.

Senator STOTT DESPOJA—It seems to me, particularly from your answers to Senator Hogg, that the government have increasing responsibilities for expanding levels of independence, for lack of a better word, yet you have got issues that you have identified—voc ed, education generally and health care—that require funds from the community or the government. At some point, do you think the residents of Norfolk Island will—or do they already—pay additional funds to assist with education? I do not mean those people who are only directly affected, but we have heard a lot about your medical scheme, for example, where people pay a contribution. Is that something that has happened, does happen or is being talked about in relation to families? I am not talking necessarily about an education levy; I am just curious about where this money is going to come from, because you are competing with some other priorities. Personally, I think education is pretty much the top priority, but where does it go from here? Are there discussions on the island about this? What happens?

Mrs Pedel—I do not think I recall any fruitful discussions. It is always ‘Let’s cut them; let’s get cheap teachers.’ That seems to be their first response. When years 11 and 12 were first introduced, they asked for fees for only those students in years 11 and 12. That lasted for about 12 months and then that was tossed out.

Ms Magri—The money was refunded to those who had paid.

Mrs Pedel—Some paid and some did not. The money was refunded to those who had. With health care they often say, ‘Why can’t we contribute to Medicare?’ We are paying \$500 a year per person to our local health care scheme. You have to reach a threshold of something like \$2,500 before you get any benefits from it, and there are loopholes: they will pay for certain things but not for others. A lot of people struggle to meet the costs of health care because we do not have any subsidised pharmaceutical scheme. You can try to stay healthy and it will cost you a couple of hundred dollars a month in tablets as opposed to whatever your prescription fees are over there with the national health scheme. I suppose it is not unusual but I did not like what I heard. If tourists come here and need medical attention, basically they pay double what we pay because they are not part of our local health care scheme. I have been told that the same thing happens in Australia. If you have a tourist coming in, they pay more for access to Australian health care. Is that right?

Senator STOTT DESPOJA—If you are a Norfolk Islander, you do, don’t you? You have to take out insurance.

Mrs Pedel—We do. We are all classed as international tourists, it seems, even though we are Australian citizens. I know that \$500 probably does not cover the medical fees, but it would not cover them in Cocos (Keeling) Islands or Christmas Island. If there were some way that could be worked out that we could contribute to Medicare, I think we would have a much better system for our visitors and for our residents. A lot of people simply cannot afford to go to the doctor, to have the medication they need or to have the X-rays they need. If you are in private health care, there is always confusion as to what is covered and what is not, because Medicare will cover X-rays and pathology; therefore, all those expensive things have to be met locally.

If you have a car accident in Australia and one driver is insured with one company and the other is in another, I think it is called a knock for knock agreement. I talked about it in our submission where each company has an arrangement for covering that insurance, and I wondered why there could not be the same sort of thing here. If we cannot be a part of Medicare, if we cannot contribute in some way and have Medicare extend to Norfolk Island, as it used to in some form, can’t we have a reciprocal arrangement where tourists are not suddenly charged \$50 to see the doctor and \$400 a bed, whereas we pay \$28 to see the doctor and \$200 a bed?

Senator STOTT DESPOJA—I think that I have probably used up my time, but may I ask if you would be willing, for the benefit of the committee, to perhaps write responses to a couple of questions on notice I would be interested in. For example, you talked about the lack of infrastructure or machinery or computers, but I do not know how much of that we have on record. There were some answers in response to Senator Hogg. We would appreciate it if you could outline for us the marked deficiencies. What are the problems in your school; what are the tangible things that you are going without? Can you assess the impact, if any, on education quality? I would be curious to know if it is worth having some kind of local inquiry or even

some kind of external or independent assessment or, in relation to your issue, proposing amendments to Commonwealth legislation such as that on the New Apprenticeships scheme and the vocational education and training acts. We can look into the specific pieces of legislation; I could probably guess which ones they were. If you would not mind elaborating on that perhaps in a written form, it would give us a clearer view of it all. You have given us some very meaty, good ideas, but I would like you, if you could, to expand on some of those issues, and we can look into some of the legalities of it.

Senator HOGG—That should include whether the professional development of and the training requirements for teachers are up to scratch.

Ms Magri—Professional training is very well taken care of in the school.

Senator HOGG—That is all right then.

Mrs Pedel—Because we are attached to New South Wales, we receive the professional development funding that all New South Wales schools receive.

Senator HOGG—I just wanted to make sure that was not part of the problem.

CHAIRMAN—If you could address that information to the secretary of the committee, we will make sure it is distributed to all the members.

Mr NEVILLE—Do teachers here do in-service training on the mainland?

Mrs Pedel—Yes; we have access to courses when they become available. We have funding from New South Wales specifically for that.

Mr NEVILLE—I assume that is recouped from the territory government in the package.

Mrs Pedel—No, I think it is above that. I am not certain, but I think I have been told that.

Mr NEVILLE—Are your fares to the mainland paid for that training?

Mrs Pedel—If we get, say, \$17,000 a year for professional development—

Mr NEVILLE—Is that per teacher?

Mrs Pedel—No, that is in total. Wow! We could do wonderful things with that much money!

Senator HOGG—Is there something in your water, Mr Neville?

Mrs Pedel—Every training and development exercise probably costs in excess of \$2,000 because we have to pay the airfares, accommodation, course fees et cetera. If we can, we also bring in some of our New South Wales education consultants to do professional development on the island.

Mr NEVILLE—Without in any way inferring any less professionalism or reliability in the New South Wales system, do you know whether the territory government has ever checked how much the ACT government and the Queensland government might charge for the package?

Mrs Pedel—Not that I am aware of.

Ms Magri—I think that was canvassed during the investigations into an independent school. That inquiry looked into how much the New South Wales package costs and what it provides, and how much it would cost to have an independent school here or for us to go elsewhere—but specific comparisons with the ACT have not been looked at.

Mr NEVILLE—While I do not agree with the broad-brush approach to education, you have to accept that it is proper for your government to monitor all the departments in its portfolios.

Ms Magri—Absolutely.

Mr NEVILLE—For example, by mainland standards you do pretty well with class sizes. On average, it would appear that you have one teacher for every 10 students.

Ms Magri—If you would like to come to the school library on a Friday morning—

Mr NEVILLE—Wait a minute; let us be fair.

Ms Magri—That is the formula.

Mr NEVILLE—Teachers in New South Wales and Queensland would find a ratio of one teacher to every 10 students very attractive.

Ms Magri—Let me clarify that. In kindergarten, year 1 and year 2, the class sizes are huge, particularly on a Friday morning. The ratio is not one teacher to 10 students then. The teaching formula is the same for New South Wales.

Mrs Pedel—We are not on a special ticket here. Our class size formulas are based on New South Wales formulas—nothing more, nothing less. Your calculations have probably included all the additional staff who are not in a classroom teaching role but who are in addition to classroom teachers.

Mr NEVILLE—I have not counted the principal, nor the ancillary staff.

Mrs Pedel—Once you get into the senior years, you attract more staffing. I think this has been one of the difficulties with our government.

Mr NEVILLE—I understand that when you have a small school you cannot get the same economies of scale that you might get with a school of 400 or 500. Has anyone done the exercise on what it would cost to educate the 28 students on the mainland or to provide some subsidy scheme for them in grades 11 and 12 to go to the mainland?

Mrs Pedel—I think that was looked at, and it was fairly well knocked on the head, because the costs would be fairly high and the family support would not be there.

Mr NEVILLE—The salary package here would be very attractive if you were paid at New South Wales rates and you paid no tax. I have done a rough calculation here, and I think your teachers would be between \$11,500 and \$15,500—depending on their seniority—better off than the corresponding teacher on the mainland. Is that about right?

Mrs Pedel—I am not sure. They would be ahead by whatever they would be paying in tax. But you are not getting any of the benefits that your tax dollars would pay for over there—you are missing out on your Medicare services, and your cost of living is generally higher.

Mr NEVILLE—Those calculations were exclusive of Medicare. I am waiting for the figures from the administration, but it seems to me, because there is no tax and because of the gross salary level for each person here—other than Commonwealth and state public servants on secondment—that the \$500 that people pay here must be at least comparable with or, if anything, slightly ahead of the Medicare levy. I go on with the rest of your submission; I am talking about some matters we have not referred to that are in your submission and are to do with health. It begs the question: if that money were paid to the Commonwealth in lieu of the Medicare levy and the Commonwealth took responsibility for all health, it would be a very interesting scenario, would it not?

Mrs Pedel—It would be.

Mr NEVILLE—I do not know if that would be any cheaper for either Norfolk Island or the Commonwealth.

Mrs Pedel—I suspect it would be, because, from what I gather, they are often in dire straits with their health care scheme

Mr NEVILLE—There is one final point I want to clarify to make sure I have it right. You mention in your submission having access to special education funds—for example, the LOTE program, the literacy and numeracy programs and a number of other programs available to schools on the mainland—and special grants for libraries, assembly halls, arts centres and the like. Did I get you right when you said that you believe the administration has not been applying for those because of some misplaced pride?

Mrs Pedel—Yes, I think so. From time to time when these things raise their heads, that is basically the response that we have had.

Ms Magri—You mentioned libraries. There is a program for books for primary schools. We have been excluded from that as well. The application has gone in from the school and we have been told that we are not eligible for that. So there are lots of little anomalies, again.

CHAIRMAN—Senator Nigel Scullion is going to wrap up this very interesting session we have had this afternoon with a couple of questions.

Senator SCULLION—I think you have covered most of the things, but probably the area of most interest to me is what you are getting out of the curriculum package you purchased from New South Wales. I take it that there is a fee to use the package every year?

Mrs Pedel—Yes.

Senator SCULLION—Are there any other resource materials that come with that or is it simply an accredited curriculum you pay for?

Mrs Pedel—An accredited system, the curriculum and all support documentation that goes with that. It is quite a valuable package.

Senator SCULLION—Does it change every year?

Mrs Pedel—No, I do not believe so. We get a new curriculum coming in, but the basic package remains the same.

Senator SCULLION—Have you got an idea of how much that costs?

Mrs Pedel—To buy the package?

Senator SCULLION—Yes.

Mrs Pedel—Roughly \$1.8 million.

Senator SCULLION—Every year?

Mrs Pedel—No, that is for this coming financial year.

Senator SCULLION—But every financial year there will be a \$1.8 million cost to provide the education through this curriculum package?

Mrs Pedel—No, it would have been less last year. As the salaries go up, the package goes up. I think this is a problem our government have because they have no control over those salaries. They can set all the salaries of the government workers here, but they cannot set the school salaries.

Senator SCULLION—When you refer to cheap teachers from New Zealand, are you referring to teachers that are prepared to work at the local, tax-free price?

Mrs Pedel—That is what they have mooted. If they offer a certain amount of money, perhaps they could attract teachers with less experience who will work at cheaper rates.

Ms Magri—With the suggestion that we have an independent school, the concept would be an international school, but where would we get our credibility from? If you are going to have an education for students, it needs to be something that is recognised everywhere in the world.

Mrs Pedel—Not a mickey mouse package.

Ms Magri—In relation to the idea of Norfolk Island having an independent international school, where would our curriculum come from? Where would our credibility come from in the rest of the world? It is all right to have an education scheme. We could probably run a school, and at a much cheaper level. But would it be worth anything anywhere else in the world? That is the concern.

Senator SCULLION—I understand from your evidence that an inspection is carried out from time to time. Is that an annual inspection?

Mrs Pedel—Yes.

Senator SCULLION—Are the recommendations that come from those made public?

Mrs Pedel—No, I do not believe so. Our inspector meets with the minister for education every time he comes over. We have an annual school report, as all New South Wales schools do, which is published and available for anyone.

Senator SCULLION—Are there usually any recommendations as part of that report?

Mrs Pedel—Yes, there are some.

Senator HOGG—It seems to me that the only way to fix things around here is to be a member of the Legislative Assembly. So why have neither of you stood for that body?

Senator STOTT DESPOJA—I was wondering that too.

Mrs Pedel—Actually, it is funny you should ask that question. I think we have been asked a few times.

CHAIRMAN—On that rhetorical question from Senator Hogg, it is my duty to thank both you ladies, Ms Magri and Mrs Pedel, for your contribution and attendance here this afternoon. If there are any matters on which we might need additional information, the secretary will write to you. You will be sent a copy of the transcript of your evidence, to which you can make editorial corrections, and you can indicate to the secretary which passages in your evidence, if any, you believe should remain confidential.

Mrs Pedel—Thank you for the opportunity to speak to you.