

Funding

The present situation

- 9.1 The Commonwealth Grants Commission concluded in 1997 that the Norfolk Island Government had the financial capacity to meet the obligations associated with its existing government functions, in terms of both service provision and infrastructure requirements. It noted, however, that some services were not being provided at appropriate levels and that some infrastructure was in poor condition:

The Norfolk Island Government is not raising sufficient revenue to deal with these deficiencies, though the capacity to do so is clearly available.¹

- 9.2 The Grants Commission's investigations led it to conclude that the Norfolk Island Government would have to increase its total revenue collection by at least sixty per cent before the Island's population would be contributing more to the provision of government services than people on the mainland. However, it could not achieve this unless:

tax revenues (and charges) were increased and administrative capacity and efficiency improved. Community commitment would be required to achieve both objectives.²

- 9.3 The Grants Commission concluded that:

Successive Norfolk Island Governments have kept the level of taxes low, resulting in low levels of services and expenditure on infrastructure.³

1 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 218.

2 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 213.

3 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 174.

- 9.4 The low revenue performance is the result of the narrower range of taxes and charges imposed on the Island and the fact that a number of tax bases are not used at all. Where the Norfolk Island Government does impose taxes the rates are high. The CGC Report commented that 'the Norfolk Island Government accesses the financial capacity available to it at greater than mainland severity'.⁴ However, with very limited taxation imposts on income and wealth, the tax regime is regressive.⁵ The CGC calculated that the introduction of progressive income tax to replace the Customs Duty would result in many people on Norfolk Island paying less tax.⁶
- 9.5 The CGC report referred to suggestions by some Norfolk Islanders that the community prefers a lower level of government service provision and a large voluntary effort. The Commission concluded that it could not be sure there was a community preference for this 'voluntary taxation'.⁷ The Committee has gained the impression throughout this inquiry that most Islanders would prefer a service as fundamental as health provision to be reliably and adequately funded by government. It is unreasonable and inequitable to expect a hard core of dedicated volunteers to provide essential services for the whole community.
- 9.6 The reliance on narrowly based indirect taxes and income from government business enterprises means that revenue growth depends on increased expenditure, primarily by tourists. This leaves the economy vulnerable to fluctuations in the tourist industry.⁸
- 9.7 The CGC expressed concern that some taxes are levied on an honesty basis, without any check to determine compliance. Taxes are generally more mobile than on the mainland. For instance, modern communication and banking enable Norfolk Island businesses to bank 'outside'. A 37 per cent fall in the level of transactions attracting the Island's Financial Institutions Levy accompanied a four fold increase in the levy in 1990.⁹ The CGC concluded that most of the decline in this tax base must be assumed to be due to tax minimisation, and that 'it would be naïve to believe that other taxes were not being minimised or avoided'.¹⁰
- 9.8 The Norfolk Island Government is not at present raising sufficient income to pay for major capital works in the health area, such as a new hospital. The CGC found in 1997 that the hospital building and equipment were

4 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 156.

5 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 164.

6 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 163.

7 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 143.

8 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 163.

9 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 161.

10 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 162.

below standard, mainly because of their age, and that there was a narrower range of community health services, particularly health prevention programs, than in small remote communities on the mainland. It also found that the health insurance scheme operated by the Norfolk Island Government was at a much lower and 'inappropriate' level, which was of particular concern to the less well off.

- 9.9 The situation with regard to health services and infrastructure has changed little, and in the intervening years since the CGC Report was released Norfolk Island's health facilities have become more outdated, while people's health care expectations both on Norfolk Island and on the mainland have continued to rise. There is an increasing gap between the services that people on the mainland take for granted and those available on Norfolk Island.
- 9.10 Health care on the Island is provided through the Norfolk Island Hospital Enterprise, a statutory authority which operates at a loss. The Hospital Enterprise received a government subsidy of \$495 000 in 1998-99, without which it would have faced a loss of \$395 495 for that financial year. This operating result is more disturbing when the surplus of \$184 956 contributed by the hospital pharmacy is taken into consideration.¹¹
- 9.11 The Commonwealth Grants Commission reported that the Hospital does not refuse the provision of services to those in need, even if this results in bad debts:

Because of the high medical costs involved and the low income of many of the locals, this policy has contributed to the accumulation of debts, which totalled over \$300,000 early in 1997 but had been reduced to about \$180,000 by July.¹²

Many of the long-term patients in the Hospital are veterans or Hospital and Medical Assistance (HMA) patients who receive free or subsidised health care.¹³

Forward planning

- 9.12 The Hospital's deficit requires increasing subsidies from the Island's government each year, and there does not appear to be any forward planning for the provision of funding for capital works. The Department of Transport and Regional Services referred in its submission to various

11 Department of Transport and Regional Services, Submissions, p. 81.

12 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 86.

13 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 85.

independent studies, as well as Norfolk Island Assembly budget debates, that have identified a lack of forward planning for the replacement of Norfolk Island's infrastructure.¹⁴

9.13 The CGC Report noted that:

The requirement of balanced budgets can cause the postponement of necessary capital expenditure until sufficient funds have been accumulated from recurrent revenue sources and dividends paid by GBEs (government business enterprises).¹⁵

The report's Main Findings section concluded that 'a system of forward estimates would facilitate long term planning of recurrent and capital needs and cash flows'.¹⁶

9.14 The report by John Howard and Associates in 1998 observed that:

there is no forward planning to identify and schedule key capital works, either renewals or replacements. There is no framework for prioritising between competing future capital works projects. There is no mechanism to ensure and plan for the funding of future capital work commitments. The result is that popular and 'easy' options get funded, while urgent projects with significant multi-year costs find it difficult to obtain the necessary commitment.¹⁷

9.15 The RSL report commented on the implications of lack of long term planning at the Hospital, describing how limited funds had been spent creating a pleasant birthing/family support area which, based on 1996-1997 figures, would only be used for 70 days a year. It noted that demand for aged care can only increase and that most of the aged people in the 'less than optimal' accommodation at the hospital would be living there for the rest of their lives.

So although the obstetric redevelopment is a worthy objective and achievement, perhaps in hindsight and with some appropriate health care planning and given a limited pool of funds, the money may have been better spent on the aged care section of the hospital.¹⁸

9.16 The development and launch of the implementation plan which the Norfolk Island Government has contracted with the Griffith University

14 Department of Transport and Regional Services, Submissions, p. 81.

15 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 203.

16 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. xvi.

17 John Howard & Associates, *Norfolk Island Administration – Strategic Review*, April 1998, p. 112.

18 Richard Tate Health Consulting Group, *A Study of Aged HealthCare Needs for Entitled Veterans, Norfolk Island*, December 1998, p. 34.

team should provide the necessary impetus to enable the Government to adopt the policy and practice of forward planning in the area of health.

- 9.17 The Grants Commission observed that while the Norfolk Island Government would have to spend large amounts on community facilities, including the hospital and aged care facilities, the costs would be within the financial capacity of the government. It also observed that:

while it is probable that Norfolk could raise sufficient recurrent revenue to fund infrastructure requirements, the use of loans might, on occasions, be beneficial to more timely service provision and cash flow management.¹⁹

The use of private investment might provide a similar benefit.

Existing funding sources

1. Fee recovery and subsidies

- 9.18 The present system of funding for the Hospital depends mainly on patients' fees and an annual subsidy from the Norfolk Island Government. Profits from the sale of medicines, and private fundraising contribute smaller amounts. This arrangement, which requires an unpredictable subsidy from general revenue to cover the deficit, is inadequate, and fails to provide a basis for forward planning. Not surprisingly, indications are that the predicted increase in demand for services will require an increasing financial input from the Norfolk Island Government. The Grants Commission was of the view that the Norfolk Island Government would face increased expenditure in the future, even if there were no change in the standard of health service.²⁰
- 9.19 The problems associated with the dependency on fee recovery for a major part of the hospital's funding are becoming increasingly obvious. Modern medical practice aims to reduce both the number of hospital admissions and lengthy stays. As the number of inpatients decreases, and the length-of-stay figures also decrease, the hospital's revenue will inevitably decline. The Grants Commission also noted that a fall in occupation rates in recent years due to the deaths of long-term elderly patients was reflected in the fall in fee income.²¹

19 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 214.

20 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 168.

21 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 86.

- 9.20 Coupled with this decline in income is the fact that the hospital, which does not refuse service to anyone, experiences a high level of bad debts. The Norfolk Island Government's submission to the CGC inquiry in 1997 stated that:

The Enterprise's dependence on fee collection for the majority of its funding causes cash flow difficulties and makes accurate budgeting for equipment replacement and other capital asset acquisition difficult. Active debt collection procedures are necessary.

- 9.21 The Committee believes that the Norfolk Island Government should extend its welfare system to allow designated low income earners access to free or subsidised hospital and medical services. This is more humane and ultimately cost effective than billing patients whose records demonstrate that they have genuine difficulty in paying, and then pursuing debt collecting procedures when they default.

- 9.22 The Government's submission to the CGC further clarified the fundamental flaw in the funding of the hospital:

The Enterprise faces conflicting goals in terms of its reliance on throughput to fund its activities and the overarching aim of a community health care system to promote practices that will decrease the utilisation of health services. The occupancy rate of the Norfolk Island Hospital Enterprise has decreased by an average 2 patients per day over the past two years. Calculated at \$200/day x 2 x 365, this is broadly equivalent to an income reduction of \$146,000 per annum.

2. Profits on medicines?

- 9.23 The practice of adding mark-ups to medicines already made more expensive by freight and customs charges, in order to make an income which then subsidises the hospital, appears to be an expedient born of a chronic shortage of funding. It acts as a deterrent to good health. The provision of pharmaceuticals on a basis of need, rather than ability to pay, underpins the Pharmaceutical Benefits Fund on the mainland. In the absence of such a scheme there appears an obligation to provide essential medicines at least at cost, if not subsidised. The Committee believes that this is an area of funding which must be examined from a social equity/health viewpoint and changed.

3. Volunteers and community fundraising

- 9.24 There is a strong tradition of community fundraising for new hospital or medical equipment, as well as of provision of services by volunteers on the Island. These praiseworthy practices were a necessity in former times when Norfolk Island had a subsistence economy, but it is not an appropriate method of funding a health service for a community with increasing expectations in health care and an economy significantly dependent on tourism. 'Voluntary taxation', referred to above, inevitably places a far greater burden of responsibility and obligation on some members of a community than on others.
- 9.25 Community fundraising efforts, a worthwhile activity in any community, need the coordination and long-term guarantee of projects that comes from government support. For example, approximately \$50 000 worth of community fundraising effort for a new hospital lies untouched, awaiting a government decision on whether a new hospital should be part of its health strategy.
- 9.26 The report on the visit of the NSW state office of the Department of Veterans' Affairs commented that there was little capacity to raise additional funds this way. It also noted that the pool of volunteers was shrinking:
- There is a limited pool of community volunteers, many of whom are ageing, and an increasing demand for their services. The ability to expand the pool of volunteers is limited as many of those in the workforce have additional unpaid commitments, or a second or third job.²²
- 9.27 Essential services such as the ambulance service are funded almost entirely through community efforts and operated by volunteers. The difficulty of finding volunteers who can work during business hours has already been noted, as has the impact on aged care of the rapidly increasing participation in the paid workforce of women, the traditional carers.
- 9.28 Martin Stewart-Weeks, a researcher and consultant on issues of civil society and voluntary association, made useful observations about volunteering in an article 'Nursing that public spirit':
- People respond to a clear task, to training and leadership, to having the proper resources to be effective and to get good feedback. They are willing to commit their time and skills if they

22 Department of Veterans' Affairs, NSW state office, *Report on the visit to Norfolk Island in August 1999*, Exhibit 14, p. 12.

know what they have to achieve and get a sense of the larger result to which they are contributing.²³

- 9.29 He argued that 2001, the International Year of the Volunteer, should be used as a springboard to improve support for volunteering, including internet access, providing greater training for volunteer managers and addressing the issue of Workcover. Governments should recognise the economic contribution of volunteers, and community groups must recruit, retain and reward volunteers far more effectively. In the Norfolk Island context such advice is timely.
- 9.30 The Committee believes that volunteer work should not be a substitute for government action. For the spirit of volunteering, which has always been such an important part of the Norfolk Island culture, to remain strong and purposeful there is a need for the Norfolk Island Government to acknowledge and support a clear distinction between basic services which government should provide and the added benefits of voluntary effort. Essential services such as the ambulance service are clearly a government responsibility.

Health insurance funding

- 9.31 The compulsory Healthcare levy is another area of concern. The Committee was told that when the levy was first calculated about ten years ago, a costing was undertaken on the expected cost of the health scheme, and the resulting figure was then simply divided by the number of people in the community. The levy was at first about \$250 per year per adult, payable in two six-monthly instalments, but as the health scheme continued to make a deficit, the amount was doubled in 1997 to \$500 per year.²⁴ The Health Care Fund received a government subsidy of \$330 000 in 1998-99 without which it would have made a loss of \$213 633.²⁵
- 9.32 The levy is inadequate to cover the full cost of meeting claims and inequitable because it is not based on income. The present rate causes hardship to at least ten per cent of those compelled to pay it, and hence is unlikely to be increased in its present form.²⁶ An indexed levy, compulsory even for those with private health insurance, would spread the burden more fairly. On a remote island, all residents and visitors are

23 Martin Stewart-Weeks, *The Australian*, 18 October 2000, p. 15.

24 Mr Graeme Donaldson, Transcript, p. 22.

25 Department of Transport and Regional Services, Submissions, p. 81.

26 Department of Transport and Regional Services, Submissions, p. 76.

potential users of the health service, no matter what other private health arrangements they may have.

- 9.33 Much of the cause of the funding problem, which impacts so heavily on low and average income earners, appears to be the original major miscalculation of the full cost of providing a complete health system. Figures from the last ten years now provide the Norfolk Island Government with a much better indication of the actual cost of health to the Island. The hospital's continuous deficit, the level of bad debts and the government's annual ad hoc subsidy of the hospital, are all strong indications that both the source and level of funding for the system need urgent review.

Alternative sources of funding

- 9.34 The Committee is aware that the Norfolk Island Government is exploring alternative sources of income. The likelihood of increased revenue from any of the sources known to be under investigation does not appear likely in the short-term. However, the completion of the first stage of the Griffith University study and the need to proceed as soon as practicable with an implementation plan must prompt an urgent examination of existing revenue raising opportunities. DOTRS commented in its submission that:

any review of health services on Norfolk Island should be accompanied by a review of specific Norfolk Island Government revenue raising initiatives.²⁷

- 9.35 There appears to be a need to consider seriously other options such as imposing new taxes, borrowing, seeking private investment or inviting private philanthropy from the group of very wealthy people who have made Norfolk Island their home. Tapping into existing Commonwealth schemes may also present opportunities for improving health services.

New taxes

- 9.36 The CGC Report observed that taxes presently levied on Norfolk Island are imposed at high rates by mainland standards, and that raising the rates further could be detrimental to the economy.²⁸ This would certainly appear to be the case in the health system where the unindexed levy for

27 Department of Transport and Regional Services, Submissions, p. 90.

28 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 212.

health insurance was recently doubled, causing hardship and a high rate of default. The health system places a heavier burden on residents than on their mainland counterparts, as well as placing an excessive burden on tourists, who represent the Island's main industry and source of income.

9.37 Little use is made of taxes on income and wealth, including land. Census data indicate that incomes for most of the population are not high, in comparison with the mainland. However, as the CGC Report pointed out:

It is generally accepted that between 40 and 80 very wealthy people live on the Island.²⁹

9.38 The CGC, in examining whether Norfolk Island's financial capacity could be used by increasing taxes, commented that any new tax structure should:

- not damage the tourist industry;
- not be detrimental to diversification of the economy;
- be equitable so that contributions increased as wealth increased (not the case with the present taxation regime); and
- be designed to keep avoidance to a minimum.

9.39 A consumption tax for instance, with which the Committee agrees, could be partly avoided by the more wealthy members of the community who make some of their purchases off-Island, and

could also impose a greater percentage tax burden on those who can least afford it.³⁰

9.40 Considering the evidence of the Islands' doctors and others on the huge social costs of excessive consumption of alcohol and tobacco, which are available cheaply on Norfolk Island, urgent consideration should be given to increasing their price. An extra charge levied at the point of sale and termed a 'health tax' might go some way towards reducing consumption and the associated health and social costs to the community, as well as providing a new source of income for the health system. It should be possible to devise a method of ensuring that only bona fide travellers have access to duty-free alcohol and tobacco at point of entry and exit.

29 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 25.

30 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 213.

The value of borrowing

- 9.41 As part of its forward planning the Norfolk Island Government should consider the advantages of modest borrowing. The CGC noted in 1997 that there were no outstanding loans and that borrowing for any purpose had been resisted:

The balanced budget objective has sometimes been thought to be more important than whether the appropriate levels of services were being provided to the community.³¹

No. 28 of the report's Main Findings was that the 'Norfolk Island Government has an ability to borrow and can afford to do so'.³²

- 9.42 The Norfolk Island Government's submission in May 1997 to the CGC made an insightful comment on the requirement of a balanced budget:

While this is sometimes portrayed as sound economic management such an approach is obviously not without risks. Deferred capital projects and capital replacement can become urgent at inopportune times and economic management can become management by crisis.

- 9.43 The CGC Report commented on the reluctance of past Norfolk Island governments to borrow money:

We see little real distinction between setting aside money in the budget for estimated capital expenditure and buying the asset and setting aside the same money as repayments. Deferring capital expenditure would generally result in some cost increases due to the effects of inflation on the price of the new asset and additional maintenance costs of the old one.³³

- 9.44 'Traditional thinkers' who are uncomfortable with the idea of borrowing should be encouraged to consider the question of inter-generational equity:

Borrowing ensures that the present and future populations, which receive the benefits of an asset, share the cost of it.³⁴

31 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 202.

32 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. xv.

33 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 180.

34 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 181.

Attracting private investment

- 9.45 An alternative method of funding major infrastructure replacement is to use the private sector. For instance, the alternative exists of attracting private investment, either complete or partial, to replace the Hospital with a multi-purpose health centre and/or to build an attractive retirement village. This alternative should be mooted during the community consultation process of the new health strategy and implementation plan, in order to gauge local support for the idea. Many different models exist on the mainland, differing in size, design, range of facilities, degree of government control, and in the case of older citizens' facilities, target age groups and level of resident investment. The provision of telehealth facilities and expertise is another area which lends itself to private investment or a joint venture.

Philanthropy

- 9.46 A tradition of helping others is well established on Norfolk Island. The Committee is aware that in a small community there are numerous instances of private, often unacknowledged, philanthropy. Fostering this is an important task within a small community.
- 9.47 Philanthropy on a large scale is a feature of many societies. It should be possible to encourage philanthropy on a much larger scale among the group of very wealthy residents who have chosen to live on Norfolk Island. There are many opportunities for the wealthy to contribute voluntarily to the Island's welfare, to help ensure the long-term viability of its unique lifestyle. There is the possibility of endowing scholarships to attract young Islanders into health related careers which they could pursue on the Island. Bequests and legacies are invaluable and should be encouraged. With the anticipated health strategy and implementation plan in place it will become simpler to invite the wealthy to fund a particular project of their choosing, such as a room in the medical centre or a major item of medical equipment.
- 9.48 The Committee was informed in May 2001 of the possibility of a large bequest towards the cost of replacing the hospital, and trusts that such philanthropy will inspire other wealthy residents to contribute. As with other voluntary effort, it is important that such generosity is not seen as a substitute for funding commitment by the government. Rather, it should prove an impetus towards community action. It should be seen as a demonstration of support by the wealthy for the lifestyle that Norfolk Island offers them.

Commonwealth assistance

- 9.49 This report and the recommendations it contains have been made on the assumption that expenditure on health services and infrastructure on Norfolk Island will continue to be funded mainly by the Norfolk Island Government. This assumption was also made by the Commonwealth Grants Commission in 1997. It outlined the reasons why Norfolk Island receives much less revenue per capita from the Commonwealth than other Territories, including:
- the expectation of many, both on and off the Island, that Norfolk Island should be self sufficient;
 - the degree to which past Norfolk Island Governments have sought independence from Australia rather than reliance on the Commonwealth; and
 - the consequent wider powers that the Norfolk Island Government has to raise revenues.³⁵
- 9.50 The Commission's conclusion on the Island's capacity to provide services at appropriate levels was unequivocal:
- Largely because of the wide revenue powers of the Norfolk Island Government, no Commonwealth assistance appears to be justified.³⁶
- 9.51 The Grants Commission acknowledged that while it is ultimately for the Norfolk Island community to decide on the level of services it wants, it believed that:
- its Government's past pursuit of financial self sufficiency (and rejection of specific offers of Commonwealth assistance) has, in our opinion, resulted in lower standards of services and infrastructure than need be.³⁷
- 9.52 The Grants Commission concluded that since the Commonwealth Government has a responsibility to ensure that services are provided to all Australians at appropriate levels, where this is not happening the Commonwealth could be forced to take responsibility for them and also for some revenue powers to pay for them:
- If the Norfolk Island Government were to do nothing to improve its administrative capacity and infrastructure, there would be a

35 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 178.

36 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 213.

37 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 178.

risk of the Island economy declining, of revenue capacity falling and levels of services deteriorating. The Commonwealth could then be forced to take responsibility for a wider range of service provision and revenue raising for the Island. The level of independence of Norfolk Island would thereby be reduced.³⁸

9.53 While acknowledging and commending the interest of the present Norfolk Island Government in improving the health service, the Department of Transport and Regional Services concluded its submission with the observation that:

If the Norfolk Island Government were to do nothing or was unable to provide services at an appropriate standard, the Commonwealth should consider ways in which it can assist the Island community by extending health services and funding eligibility to the same level available to other Australians.³⁹

9.54 The Department noted that the Norfolk Island Government had already expressed a willingness to work with Commonwealth authorities, including the Department of Veterans' Affairs and the Department of Health and Aged Care.⁴⁰ The Committee is aware of the enthusiastic reception of DVA expertise and assistance in the area of aged care, and the strong spirit of cooperation that developed between DVA officials and Island volunteers.

9.55 The Committee is hopeful that there will be scope for similar joint ventures with the Department of Health and Aged Care, and would encourage any changes to the determining acts that would allow the Norfolk Island community to access the many valuable health programs and initiatives designed to assist rural and remote communities and available through the Departments on the mainland.

9.56 The DOTRS submission also noted that although the Island is exempt from Commonwealth taxation a large number of current residents have lived and worked on the mainland for significant periods, paying Commonwealth taxes as a result.⁴¹ Commonwealth funding is provided to the Norfolk Island community under a wide range of other programs, such as those operated under the Natural Heritage Trust, despite its exemption from Commonwealth taxation.⁴²

38 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 218.

39 Department of Transport and Regional Services, Submissions, p. 90.

40 Department of Transport and Regional Services, Submissions, p. 81.

41 Department of Transport and Regional Services, Submissions, p. 77.

42 Department of Transport and Regional Services, Submissions, p. 78.

- 9.57 DOTRS believes that Norfolk Islanders are disadvantaged because most Commonwealth legislation pertaining to health does not extend to Norfolk Island. This hinders them from accessing various ‘programs and initiatives aimed at assisting communities in rural, remote and regional Australia – of which Norfolk Island is a part.’ Access to Commonwealth programs would help offset the limitations of the Island’s aged care services in particular. The Department noted that some of the services provided through the Commonwealth Aged Care Program operate outside the Act.⁴³
- 9.58 The Committee does not see that an exact quid pro quo need be established in order for people living on or visiting Norfolk Island to be entitled to access the many and various advantages that a health system which services twenty million people can engender.

Recommendations

Recommendation 34

9.59 The Committee recommends that the Norfolk Island Government:

- **establish a program of forward estimates for health services and capital expenditure, in conjunction with the implementation plan developed in consultation with the Griffith University team; and**
- **establish a task force to investigate alternative sources of government funding including new taxes and charges.**

Recommendation 35

9.60 The Committee recommends that the Norfolk Island Government give recognition to the valuable contribution to the health system of volunteers by providing:

- **financial underpinning, coordination and direction to their efforts; and**
- **incentives to local employers to provide paid time off for volunteers.**

43 Department of Transport and Regional Services, Submissions, p. 77.

Recommendation 36

9.61 **The Committee recommends that the Norfolk Island Government encourage private philanthropy by inviting the Island's wealthy to fund:**

- **specific projects of their own choosing; and**
- **scholarships for training in health care designed to encourage young Islanders to return to the Island for part of their careers.**

**Senator Ross Lightfoot
Chairman**