

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 40

Topic: Assistance to Norfolk Island

Asked By: Senator BACK

Type of Question: RRA&T 64

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator BACK: So in 2010-11 there was \$5.7 million for government activities and \$0.7 million for that study. Then in 2011-12?

Mr O'Brien: \$14.1 million.

Senator BACK: How much of that was the buy-out of the inefficient airline contract?

Mr O'Brien: From memory, it was about \$11 million. Can I take that on notice?

I think there was an operating loss for the year of \$2.9 million or thereabouts.

Senator BACK: You will take on notice what is the actual revenue—it is actually not a wide gap, is it?

Answer:

The Commonwealth provided \$2.9 million in 2011-12 to the Norfolk Island Government to address its underlining budget deficit; excluding the airline. This emergency funding represents about nine per cent of the Norfolk Island Government's revenue (\$31.9 million) in 2011-12.

The Australian Government provided \$10.547 million to assist the Norfolk Island Government to terminate an expensive contract with Air Nauru. The contract created an annual deficit for the Norfolk Island Government of between \$3.7 million to \$5.1 million.

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Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 41

Topic: Flights to Norfolk Island

Asked By: Senator BACK

Type of Question: RRA&T 64

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 2

Mr Stankevicius: No, it does. It is a service contracted to, and through a competitive tender process won by, Air New Zealand. It is two flights a week from Sydney to Norfolk Island, two flights a week from Brisbane to Norfolk Island and one from New Zealand to Norfolk Island.

Senator BACK: Again on notice—I do not expect you to have the numbers now—I would be very interested to see what has been the change in passenger numbers as a result of that new service being underway.

Answer:

Air New Zealand commenced the service between the Australian mainland and Norfolk Island on 2 March 2012. To date, there are only three full months of comparable passenger numbers between the mainland and Norfolk Island. Passenger numbers are:

Return passengers	March	April	May
Norfolk Air (2011)	4,474	4,390	3,684
Air New Zealand (2012)	4,431	3,505	3,108

The decline in tourist numbers is mainly due to the transition between Norfolk Air and Air New Zealand which occurred on 02 March 2012. Some forward bookings from Norfolk Air were refunded due to Air New Zealand not flying from Melbourne or Newcastle.

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The travel wholesalers were initially not confident of number and days of flights and as a result fewer tickets were booked in the January to March 2012 period for the March, April and May 2012 period.

Air New Zealand has undertaken marketing specials for the traditionally low winter period of June, July and August.

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ANSWERS TO QUESTIONS ON NOTICE

Department of Regional Australia, Local Government, Arts and Sport

Budget Estimates 24 May 2012

Question: 42

Topic: Funding measures to improve health and wellbeing programs on Norfolk Island

Asked By: Senator HUMPHRIES

Type of Question: RRA&T 70

Date set by the committee for the return of answer: 20 July 2012

Number of pages: 1

Senator HUMPHRIES: The Administrator in a media release—I have not got the date for that here—talked about that \$2.9 million and gave some details to islanders about what that money would be spent on. You have touched on some of those things already. Also there is \$200,000 to develop a new waste management strategy implementation and action plan. This is about the problem of the disposal of rubbish off the island. He mentioned the \$100,000 to review hospital services. There is \$500,000 left for what is called measures to improve opportunities to access health and wellbeing funding programs available to mainland states and territories. What is that money being spent on?

Mr Stankevicius: Sorry, I am not sure about the \$500,000. Sorry about that.

Senator HUMPHRIES: I cannot see where it appears in the Administrator's media release.

Mr Stankevicius: I will take it on notice.

Answer:

There is \$600,000 (not \$500,000) remaining in the allocation for Norfolk Island. These are Departmental costs to administer the reforms.

The “measures to improve opportunities to access health and wellbeing funding programs” relates to work the Department is undertaking to clarify which grants programs Norfolk Island has access to and the provision of training in writing grant applications for some key staff of the Norfolk Island Administration.