

Introduction

The Purpose of the Inquiry

- 1.1 In accordance with its parliamentary role and responsibilities (outlined below), the Committee resolved in March 2002 that general reviews of each of the external territories be conducted as part of an annual monitoring of the territories by the Committee.¹ The basis for this would be a review of the annual reports of the two Federal Government departments with direct responsibility for the external territories - the Department of Transport and Regional Services and the Department of the Environment and Heritage. Section 2 of the Resolution of Appointment, passed by both Houses of Parliament on 14 February 2002, establishing the Committee for the 40th Parliament provides that:

Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:

1 The Committee's Resolution of Appointment enables the Committee to inquire into and report on matters relating to the Territory of Cocos (Keeling) Islands; the Territory of Christmas Island; the Coral Sea Islands Territory; the Territory of Ashmore and Cartier Islands; the Australian Antarctic Territory, and the Territory of Heard Island and McDonald Islands, and Norfolk Island.

- (a) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and
 - (b) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that department or authority is presented to the House.
- 1.2 As part of its monitoring of the external territories, the Committee would review the development of services and the implementation of programmes to a standard commensurate with equivalent mainland communities. On 26 June 2002, the Committee resolved that the review of the Annual Reports of the Department of Transport and Regional Services 2000-01 and the Department of the Environment and Heritage 2000-01 specifically include reference to land use and land transfer in the external territories by the Commonwealth Government.
- 1.3 Norfolk Island was the first Territory that the Committee examined as part of this process. The Committee intended to focus primarily on the following four issues in relation to Norfolk Island:
 - land planning and management;
 - land use and land transfer by the Federal Government;
 - heritage protection and management of the Kingston and Arthur's Vale Historic Area (KAVHA); and
 - the legal aid contribution.
- 1.4 However, four additional issues were brought to the Committee's attention in the evidence received from Island residents. Three of these issues were then examined as part of this inquiry. The four issues were:
 - the adequacy of health services and facilities;
 - vocational education and training;
 - waste management; and
 - the quality of governance.²

2 The quality of governance on Norfolk Island was subsequently examined and reported on as part of a separate inquiry. The Committee tabled the first of two reports for that inquiry, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, on 3 December 2003.

The Role of the Committee

- 1.5 It is the function of the Federal Parliament to participate in developing law and policy, to scrutinise government action and public administration and to inquire into matters of public interest on behalf of all Australians. A system of Federal parliamentary committees facilitates the work of the Parliament. A Resolution of Appointment, passed by the House of Representatives on 14 February 2002 and by the Senate on 15 February 2002, is the source of authority for the establishment and operations of the Joint Standing Committee on the National Capital and External Territories.³ The Committee is appointed to inquire into and report to both Houses of Parliament, in an advisory role, on a range of matters.
- 1.6 The Committee was established in 1993. Prior to 1993, inquiries relating to the external territories were dealt with by other committees - for example, the House of Representatives Standing Committee on Legal and Constitutional Affairs reported on legal regimes in the external territories in 1991. A Joint Standing Committee on the Australian Capital Territory has been appointed in each Parliament since 1956. In 1992, the Joint Standing Committee on the Australian Capital Territory changed its name to the Joint Standing Committee on the National Capital, to emphasise the significant change in the focus of the Committee's work which occurred following the introduction of self-government in the ACT in 1989. At the start of the 37th Parliament in 1993, a committee specifically to cover Australia's external territories was established for the first time.
- 1.7 The Committee has produced six reports in relation to the external territories so far, of which only three have focused exclusively on Norfolk Island:⁴
- *Delivering the Goods*, February 1995;
 - *Island to Islands: Communications with Australia's External Territories*, March 1999;
 - *In the Pink or in the Red: Health Services on Norfolk Island*, July 2001;
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3 By convention, where the Resolution of Appointment is silent joint committees follow Senate committee procedures to the extent that such procedures differ from those of the House.

4 Some Island residents have complained of "endless Parliamentary Committee Inquiries". See Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, Canprint, Canberra, p. 5.

- *Risky Business: Inquiry into the tender process followed in the sale of the Christmas Island Casino and Resort*, September 2001;
- *Norfolk Island Electoral Matters*, June 2002; and
- *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, December 2003.

Conduct of the inquiry

- 1.8 The inquiry was advertised in *The Australian* on 3 July 2002 and in *The Norfolk Islander* on 6 July 2002. Thirty written submissions were received. These are listed in Appendix A. Eleven submissions are confidential. Evidence was received on the four specific issues identified by the Committee, and, on a number of other issues relating to the delivery of services. Ten exhibits were received. These are listed at Appendix B. Five of the exhibits are confidential.
- 1.9 The Committee continues to be disturbed by the number of witnesses whose participation was made contingent on written submissions being kept confidential and oral evidence taken in-camera.⁵ A common theme in these requests was that Norfolk Island residents feared being ostracised or believed they were at risk of reprisal if they spoke out. By way of comparison, during the Committee's examination of the Indian Ocean Territories as part of this same inquiry, there was only one request for a submission to be treated as confidential, on commercial-in-confidence grounds. There were no requests by witnesses on either Christmas or Cocos (Keeling) islands to provide oral evidence in-camera during the hearings held there.
- 1.10 Initially the Committee was to review the departments' 2000-2001 annual reports. However, the period during which an inquiry concerning an annual report may be commenced by the committee shall end on the day on which the next annual report of that department or authority is presented to the House. Therefore, as the Committee's visit to Norfolk Island was delayed until February 2003, the Committee resolved that the annual reports for 2001-2002 which were tabled in the House of Representatives on 16 October 2002 should also be reviewed.

5 See Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, Canprint, Canberra, pp. 10-15.

- 1.11 The completion of this report was further delayed when the Committee commenced the first part of its inquiry into governance on Norfolk Island in March 2003. Accordingly, the Committee extended this review to include the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage for 2002-2003 tabled in the House of Representatives on 8 October and 4 November 2003 respectively. Submissions and exhibits received in relation to all three years were considered in evidence.
- 1.12 The Committee visited Norfolk Island for inspections, private meetings and public hearings from 15 to 19 February 2003. Facilities and sites identified as being relevant to the review were inspected on 16 and 17 February 2003. These included the Kingston and Arthur's Vale Historic Area (KAVHA), the Kingston pier, the Cascade Cliff Safety Project, the airport runway resealing project, the new Bureau of Meteorology station, the upgrading of the Mt Pitt road in the National Park, the new waste management facility, the police station and the hospital.⁶
- 1.13 On 17 February 2003, the Committee met with all nine members of the Norfolk Island Legislative Assembly and with the then Administrator of Norfolk Island, The Hon. Tony Messner. The Committee held public and in-camera hearings on Norfolk Island on 18 and 19 February 2003 and in Canberra on 28 March, 12 May and 19 June 2003. Witnesses who appeared at public hearings on Norfolk Island and in Canberra are listed in Appendix C. Other witnesses gave in-camera evidence at both on-island and mainland venues.

6 The Australian Federal Police provides the policing service on Norfolk Island. Subsection 8 (1C) of the *Australian Federal Police Act 1979* (Cth) allows the Minister and the Administrator of an External Territory to enter into arrangements for the provision of policing services and regulatory services in relation to that Territory, and, where the arrangements are made, those services are provided in accordance with the arrangements. On 2 February 1993, the then Minister for Justice, Senator the Hon. Michael Tate, entered into such an arrangement on behalf of the Commonwealth with the then Norfolk Island Administrator, the Hon. Alan Kerr. The Arrangement sets out the police and ancillary services to be performed by the AFP and the reporting relationships and obligations of the principal parties. The AFP Commissioner retains control over operational matters. The Norfolk Island Government, through the designated Executive Member (now known as the Minister), has input into policing issues through discussions on the ambit of the Schedules to the Arrangement (that is, the nature of the police and ancillary services to be provided and the goals, objectives and priorities to be pursued in relation to Territory policing services). The Officer in Charge of the Norfolk Island Police is also responsive to ad hoc requests from the Norfolk Island Minister responsible for policing and the Administrator on day-to-day policing issues.

Context of the Inquiry

Norfolk Island's status and administrative arrangements

- 1.14 Norfolk Island's constitutional status and its administrative arrangements have been described in detail in previous reports of the Committee, most recently in the report *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, presented to the Parliament on 3 December 2003. Details of the Territory's status and legal position, the enabling legislation – the *Norfolk Island Act 1979* (Cth) – and the Federal Government and Parliament's responsibility with respect to Norfolk Island may be found in chapters Two and Three of the governance inquiry report.⁷
- 1.15 In short, Norfolk Island is a self-governing Australian Territory and an integral part of the Australian Commonwealth or Federation, being similar in status to Australia's other self-governing Territories – the Australian Capital Territory and the Northern Territory. The Island's population numbers approximately 2000 people.⁸
- 1.16 The *Norfolk Island Act 1979* (Cth) – an Act passed by the Federal Parliament – provides the basis of the Territory's legislative, administrative and judicial system. The Act constitutes the Territory Government as a separate body politic with its own institutions. The Act established a nine member Legislative Assembly with wide powers, subject to certain restrictions, to make laws for the peace, order and good government of the Territory; a Territory Ministry or Executive Council drawn from the Legislative Assembly; a Supreme Court, and the power to create other courts of lessor jurisdiction.
- 1.17 An Administrator, appointed by the Governor-General, is nominally responsible for the administration of the government of Norfolk Island.⁹ The Administrator relies on the advice of the Norfolk Island Ministers when exercising his or her powers and functions.¹⁰ Federal oversight of certain matters is retained by: (a) the requirement that

7 Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, Canprint, Canberra, pp. 28-40, 43-48. See also Appendix A of the governance inquiry report.

8 See Administration of Norfolk Island, 2001, *Norfolk Island: Census of Population and Housing, 7 August 2001*. According to the 2001 census, on 7 August 2001, the total population of Norfolk Island, including the residents and visitors, was 2601.

9 Section 5 (1), *Norfolk Island Act 1979* (Cth).

10 Sections 7 and 11, *Norfolk Island Act 1979* (Cth).

proposed laws passed by the Legislative Assembly on certain prescribed matters must be referred to Federal Ministers or to the Governor-General for advice; and (b) the requirement for the Administrator, when exercising decision-making functions conferred on him or her under Territory laws, to abide by any instructions that may be issued by the Federal Minister on a limited range of subjects.¹¹ The Governor-General also retains a restricted residual legislative power in respect of matters that are not dealt with in either Schedule 2 or Schedule 3.¹² Federal oversight, through these mechanisms ensures that Federal Government laws, policies or programmes applicable to Norfolk Island do not conflict with Territory laws and that proposed Norfolk Island laws do not conflict with national obligations under international law.

- 1.18 Through the Norfolk Island Act, legislative and executive power over a wide range of local, State and federal type responsibilities were devolved to the local Assembly and Executive Council. The Island's Legislative Assembly has the power to legislate for all things except coinage, the raising of defence forces, the acquisition of property on other than just terms, and euthanasia. This means that the Assembly can enact laws on virtually any topic that it chooses, including on matters that are the preserve of the Federal Government elsewhere such as customs and immigration. Once the Assembly enacts a law, the Norfolk Island Government is equipped with broad executive powers and responsibilities to administer, fund and enforce that law. The intention of the Act was to recognise the fact that the Territory Government is responsible for the delivery of government services and programmes on Norfolk Island and for the funding of such services and programmes (see below). To this end, the Act confers plenary legislative powers on the Territory Legislature and confers executive authority on Territory Ministers in respect of all laws passed by that Legislature.¹³ However, as an Australian Territory and part of the Australian Federation, Norfolk Island remains subject to the legislative power of the Federal Parliament and the Federal Government retains its constitutional powers to enact Federal laws in respect of the Island.¹⁴

11 See sections 7, 21 and Schedule 3 of the *Norfolk Island Act 1979* (Cth). The Committee understands that only a relatively limited number of responsibilities or decision-making functions are conferred on the Administrator by Norfolk Island laws.

12 Sections 27-28A, *Norfolk Island Act 1979* (Cth). It is understood that this legislative power has not been used to date.

13 Item 42, Schedule 2, *Norfolk Island Act 1979* (Cth).

14 See section 122 of the Constitution.

- 1.19 Most Federal Government programmes and services do not extend to the Island. This reflects the continuing choice of the small Norfolk Island community to retain primary responsibility for the funding and delivery of nearly all government services on the Island. It is apparent that the Norfolk Island and Federal Governments expectation to date has been that the Island community shall be self sufficient and shall raise its own funds for the Territory's public sector services from on-island sources using the 'federal' customs, postal and other powers devolved to the Territory's Administration for this specific purpose. This is the reason put forward as to why most federal services and programmes do not extend to Norfolk Island. It is also why the Island has generally been exempted from federal income tax and outside the usual federal financial arrangements since 1914.¹⁵ Federal agencies did have a greater role on-island prior to self-government in 1979.¹⁶ However, in the 24 years since then, the Norfolk Island Government has (at its request) assumed

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- 15 The original justification for Norfolk Island's exclusion from federal taxation appears to have been the Island's lack of a cash economy in 1914 with most in the community relying on barter as a means of exchange. See Hunt, Atlee 1914 *Memorandum by Secretary, Department of External Affairs, relating to Norfolk Island*, Parliament of the Commonwealth of Australia. Notwithstanding Norfolk Island's exclusion from federal taxation and services, the Federal Government provided annual grants to the Island (as well as special grants and capital loans) prior to self-government in 1979. These annual federal grants constituted 40% of Norfolk Island total public revenue in 1960, falling to 6.3% in 1979 as the Island economy and public sector finances improved with the considerable growth in tourism on Norfolk Island. See Treadgold, M. L. 1988 *Bounteous bestowal: The economic history of Norfolk Island*, Pacific Research Monograph No. 18, National Centre for Development Studies, Research School of Pacific Studies, Australian National University.
- 16 Reports indicate long standing local resistance to revenue measures designed to ensure provision of appropriate services and infrastructure which existed even before self-government. See, for example, Butland, G. J. 1974 *Population Study of Norfolk Island*, University of New England NSW. Professor Butland cited the local advisory council's "consistent unwillingness to recommend the imposition of sufficient taxation on the resident population" and "the use by mainland immigrants of the Island as a financial tax haven without consideration of the long term interests of the Island" as key reasons for the Island's lack of sufficient public finances at that time. See also Hoare, M. 1999, *Norfolk Island: A Revised and Enlarged History 1774-1998* (5th Ed), Central Queensland University Press, St. Lucia, Queensland, notably pp. 141, 174-5. Some within the Island community still appear to oppose attempts at additional revenue raising by the Territory Government – see Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, at paragraphs 2.18 to 2.20 and footnote 40). See also the findings of the Commonwealth Grants Commission, 1997, *Report on Norfolk Island*, Australian Government Publishing Service, Canberra; and Treadgold, M. L. 1988 *Bounteous bestowal: The economic history of Norfolk Island*, Pacific Research Monograph No. 18, National Centre for Development Studies, Research School of Pacific Studies, Australian National University.

responsibility for nearly all government services on-island and public infrastructure on the Island.¹⁷

Inquiry into Governance on Norfolk Island

- 1.20 In the course of this inquiry into departmental annual reports, Island residents approached the Committee seeking to raise concerns with respect to governance on Norfolk Island. They included those who had lived on Norfolk Island for many years, those who came from old Island families, residents of Pitcairn descent, serving and former members of the Norfolk Island Administration and the Norfolk Island Legislative Assembly. A majority were only prepared to participate on the basis that the Committee would keep their identity and/or some or all of their evidence confidential, principally because of their conviction that they would suffer some form of reprisal for speaking out.
- 1.21 Their evidence highlighted the fact that the Island's 2000 strong community face growing problems in funding and delivering government services on the Island. Such problems have also been identified by the Territory Government itself and by earlier inquiries and reports, including the 1997 report on Norfolk Island by the Commonwealth Grants Commission.¹⁸ Key problems identified by the Grants Commission, for example, included the Territory Government's lack of administrative capacity and an urgent need for reform of local finances and taxation. Concerns exist over the increasingly pressing need to raise the additional funds required to maintain, run and update important public infrastructure and government programmes in areas for which the Territory Government has responsibility, like health, education, communications, the Island's airport, piers, roads, and electricity. Without financial and taxation reform, these things will deteriorate,

17 It is apparent that the Norfolk Island Government has continued to pursue greater responsibilities notwithstanding the findings of various reports that it cannot appropriately manage and pay for its current responsibilities. See the Commonwealth Grants Commission report. For details on the process by which responsibilities and powers have been 'transferred' or devolved: see www.dotars.gov.au/terr/norfolk/index.htm

18 Commonwealth Grants Commission, 1997, *Report on Norfolk Island*, Australian Government Publishing Service, Canberra. See also *Focus 2002 – Sustainable Norfolk Island*, 10th Legislative Assembly, Norfolk Island; and Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, Canprint, Canberra and the reports listed at footnote 31 on page 16 of that report.

leaving an even bigger problem for future generations of Island residents. Yet at the same time, it was argued that the lack of administrative capacity identified by the Grants Commission and others, the close knit nature of the Island community and relatively frequent changes within the make up of the Island's Legislative Assembly and Government can all make it difficult for hard decisions to be taken and implemented locally.

1.22 Witnesses also raised significant concerns with respect to the accountability and transparency of decision-making within the Government. Evidence was received from Island residents to the effect that some within the Island community were able to exploit the current governance system, with its lack of effective checks and balances, for their own ends. Once these concerns were raised with the Committee, it soon became apparent that Island residents lacked the same avenues and statutory rights and protections of appeal and complaint that exist in other Australian communities.

1.23 The above explains why, in March 2003, the Committee was asked by the then Minister for Regional Services, Territories and Local Government, the Hon. Wilson Tuckey MP, to examine:

measures to improve the operations and organisation of the Territory Ministry and Legislature on Norfolk Island, with particular emphasis on the need for a financially sustainable and accountable system of representative self-government in the Territory".¹⁹

The Terms of Reference directed that the governance arrangements for Norfolk Island "should be considered in the context of the financial sustainability" of the Territory in light of the findings of relevant government and parliamentary reports. In particular, the Committee was asked to consider the findings of the Commonwealth Grants Commission documented in its 1997 report on Norfolk Island on the Territory's capacity to administer and fund obligations associated with:

- ⇒ current and future government functions and responsibilities;
- ⇒ the Island's current and foreseeable infrastructure requirements; and
- ⇒ the provision of government services on Norfolk Island at an appropriate level.

19 Inquiry into Governance on Norfolk Island Terms of Reference.

In considering and making recommendations in respect of the above, the Committee was required to have regard to the role of the Federal Government and its responsibilities for Norfolk Island as part of remote and regional Australia. The Committee resolved to conduct this particular inquiry on 28 March 2003.

1.24 In the first of two reports for the above inquiry, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, the Committee focused on evidence from residents and others on the inadequacies of existing political arrangements and legal infrastructure, and on the ways to improve and strengthen the governance arrangements for Norfolk Island.²⁰ This confirmed that significant problems do exist in funding and delivering government services on the island. As mention above, these problems had also been identified by earlier inquiries and by the Commonwealth Grants Commission. The Committee recommended reform of Norfolk Island's political system to address problems identified by residents and others. Such reforms included:

- ⇒ Election of the Chief Minister by the Assembly;
- ⇒ Appointment of Ministers by the Chief Minister;
- ⇒ Appointment of an independent Speaker from outside the Assembly;
- ⇒ Four year terms for the Assembly; and
- ⇒ The establishment of an Assembly Committee to review public finances.

1.25 A central tenet of the Committee's report was that Island residents should have the same opportunities, rights and protections that other Australians enjoy in respect of government. To this end, the Committee recommended:

- ⇒ Oversight of Norfolk Island governmental conduct by the Commonwealth Ombudsman;
- ⇒ Financial and performance audits by the Commonwealth Auditor-General;
- ⇒ The Australian Electoral Commission to oversee Island elections;
- ⇒ Extending the jurisdiction of the NSW Independent Commission Against Corruption to Norfolk Island; and
- ⇒ Freedom of information and whistleblower legislation for Norfolk Island.

20 Presented to the Parliament on 3 December 2003.

- 1.26 The Committee's report argued strongly that the financial and administrative burden of implementing its 32 recommendations fall primarily on the Federal Government, and not the Norfolk Island government and community. Under both the Federal Constitution and the *Norfolk Island Act 1979*, the Federal Parliament retains ultimate responsibility for ensuring good governance on Norfolk Island. This involves the competent management of the Island's resources in a manner that is open, transparent, accountable, equitable and responsive in both the short and long-term.
- 1.27 The Committee also recommended that the Federal Government must establish a clearly understood and coherent set of policy goals and framework for Norfolk Island, based in part on an analysis of how the Island's services can be properly financed, both now and into the future. The island community's exclusion from federal programmes and services, it is argued, must also be reviewed and an assessment undertaken of the need for federal funding to meet the costs of the island's current and future infrastructure requirements. Also recommended was resumption by the Federal Government of responsibility for immigration and social security and the extension of Medicare and the Pharmaceutical Benefits Scheme to Norfolk Island.
- 1.28 The above-mentioned inquiry into governance on Norfolk Island was conducted in conjunction with this review of the annual reports of the departments of Transport and Regional Services and the Environment and Heritage. The recommendations in this report are, therefore, conditional on acceptance and implementation of the recommendations in the Committee's report *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*.

Recommendation 1

- 1.29 **That the recommendations of this report be conditional on the acceptance and implementation of the recommendations in the Committee's report *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*.**

Implementation of the Recommendations

- 1.30 The Committee has commenced the second part of the governance inquiry, on the financial sustainability of the Territory. As part of this

process, the Committee will consider the Government's Response to the first report of the governance inquiry as well as the annual report review and the implementation of its recommendations. In light of the problems the Norfolk Island community is confronting, the Committee expects a rapid and comprehensive response from the Federal Government to these reports.

- 1.31 It has been suggested to the Committee that many of the governance issues raised by the first report cannot be considered in isolation and that consideration of that report's recommendations involving major reform are inextricably linked to the question of Norfolk Island's financial sustainability. However, many of the recommendations contained in the Committee's unanimous first report have absolutely no relation to - and need not await - consideration of the Territory's financial sustainability or the tabling of any further report concerning the same.²¹
- 1.32 The above-mentioned recommendations seek to ensure that an Australian community is afforded the same democratic rights and protections of appeal and complaint that all other Australians enjoy. It is clear that Norfolk Island residents lack equivalent rights, protections and avenues of appeal and complaint that exist in other Australian communities. It is also apparent that the standards of accountability and transparency that apply to elected representatives and governments elsewhere in Australia do not apply on Norfolk Island. The Committee is unaware of any plausible argument as to why Island residents should not be afforded these rights and protections.
- 1.33 Nor can there be any objection to these measures being put in place as a matter of some urgency; namely, by accepting and acting on the recommendations listed above. Doing so is consistent with stated Federal Government policy towards Norfolk Island, in particular the Department of Transport and Regional Services' strategic objective of "Territories which provide for their residents the same opportunities and responsibilities as other Australians enjoy in comparable communities".²² For its part, the Norfolk Island Government has

21 See in this regard recommendations 3 to 7 and 13 to 29 of Joint Standing Committee on the National Capital and External Territories, December 2003, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*, Canprint, Canberra. It is acknowledged that consideration of the other recommendations in the first report of the governance inquiry – such as recommendations 8 to 12 and 30 to 32 – can await the second part of the inquiry into Norfolk Island's financial sustainability.

22 Department of Transport and Regional Services, *Annual Report 2002-03*, pp. 8, 107.

already stated that it has no difficulty in principle with these mechanisms being put in place.²³

- 1.34 The Australian Government has a responsibility to ensure that its citizens and residents, no matter where they may live, are not unduly disadvantaged by systemic weaknesses in the existing governance arrangements. Action is required to ensure that the processes of government on Norfolk Island are made more responsible and effective. In addition, action is required to ensure that Island residents enjoy the same representation in the Federal Parliament as other Australians do. If any further justification was required, regard could be had to the fact that, in its efforts to promote good governance throughout the Pacific region and to assist many Pacific Island countries to rebuild and reform their institutions of government, Australia cannot afford to allow Norfolk Island – as an integral part of Australia in the Pacific - to languish behind.
- 1.35 The Committee has been greatly encouraged by the response it has received from current and former Island residents, most of whom have not previously contacted the Committee, wishing to congratulate the Committee on the first report of the Inquiry into Governance on Norfolk Island and for making the recommendations the Committee has. The Committee also greatly welcomed statements by Norfolk Island Government representatives during the inquiry that they had no difficulty in principle with the normal expert and independent mechanisms being put in place to properly address issues that may be raised by Island residents.

Structure of the Report

- 1.36 This report is divided into four chapters. Chapter Two examines issues in relation to the management of Norfolk Island's natural environment, and the planned transfer of Crown Land to freehold title under the Norfolk Island Land Initiative. Chapter Three examines the provisions for heritage protection on Norfolk Island. Chapter Four looks at a range of services on Norfolk Island that require more comprehensive and coordinated Federal Government

23 See Response of the Norfolk Island Government to Joint Standing Committee on the National Capital and External Territories, *Quis custodiet ipsos custodes?: Inquiry into Governance on Norfolk Island*; located at: <http://www.ni.net.nf/> See also Norfolk Island Legislative Assembly, *Hansard*, 11 February 2004.

assistance. These include health services, vocational education and training and legal aid.

1.37 The Committee has examined the work of two Federal Government agencies on Norfolk Island and made recommendations in relation to the provision of Commonwealth services to Norfolk Island. However, a number of issues and recommendations in this report need to be specifically considered by the Norfolk Island Government. These include:

- amending Norfolk Island's planning and land use laws;
- the treatment of sewage;
- the removal and disposal of asbestos;
- the construction and equipping of a new health facility; and
- reform of a range of Territory laws.²⁴

24 These issues are examined in greater detail in the following chapters.

