

NORFOLK ISLAND ROAD MAP

2 March 2011

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Introduction

Norfolk Island was first settled in March 1788, some 6 weeks after the settlement of Sydney by the First Fleet, to exploit the Island's natural resources. The first settlement was abandoned in 1814; reoccupied as a penal settlement in 1825, and abandoned again in May 1855. On 8 June 1856 it was occupied by 194 settlers from the Pitcairn Islands (including one child born on the voyage from the Pitcairn Islands).

From 19 March 1897, Norfolk Island was administered by the Governor of the New South Wales, and from 1 July 1914 was placed under the authority of the Commonwealth of Australia. Since 1914, Norfolk Island has been governed by the Commonwealth initially under the *Norfolk Island Act 1913*, subsequently under the *Norfolk Island Act 1957* (Cth), and currently under the *Norfolk Island Act 1979* (Cth). In 1979, Norfolk Island was granted self-government through the *Norfolk Island Act 1979*.

The Parliament of the Commonwealth of Australia has recognized the special relationship of the descendants of the original 1856 settlers with Norfolk Island and their desire to preserve their traditions and culture. The Australian Government supports the goals of the Norfolk Island community through a mutually acceptable and appropriate modified form of self-government.

A Roadmap for Change

This Roadmap has been developed in partnership between the two Governments and is subject to budget outcomes from both the Commonwealth and Norfolk Island. Its purpose is to describe the reforms needed to strengthen:

- The Island's **economic** diversity to provide a sustainable and growing economy.
- The Island's **social cohesion** and **resilience**.
- The Island's unique **heritage** and **environment**.

Tourism has been the Island's primary industry for many years, but the number of tourists has been in steady decline for the past decade. A direct consequence is that the Island's economy is no longer sustainable in its current form. The Norfolk Island Government has been unable to operate without cash injections from the Commonwealth and without governance reform and economic development, this is unlikely to change.

The Island's infrastructure is also declining and the Island's economy, without reform and development, will not be able to fund much needed replacement and improvement of critical infrastructure including the ports, roads and essential services.

This roadmap describes the changes needed to Norfolk Island's circumstances. It requires local input, leadership and commitment to change from the Norfolk Island community, the Norfolk Island Government and the Australian Government.

The reforms in the roadmap cover:

- Governance through providing a stronger, more open and transparent form of government, building on the reforms in the *Territories Law Reform Act 2010*.
- Economic development through quick action to address barriers to tourism, particularly reform of air services, access to the Island, and facilities for cruise ships.
- Enabling the Norfolk Island Public Service to provide good financial and policy advice and effective services to the Norfolk Island Government and community.
- Social services including immigration, health, welfare and education through removing barriers to business investment, access to adequate health care, support for vulnerable citizens and providing educational opportunities to all, but particularly for young people.
- Access to the benefits provided by the Australian tax system and a fair contribution to the tax system in return for the benefits.
- Preserving and enhancing the environment and heritage attributes of the Island including the Kingston and Arthur's Vale Historic Area and the other natural areas of Norfolk Island and recognizing their contribution to the economy and community.
- Extend Commonwealth laws to the Island to promote improved economic growth and diversification.

This roadmap outlines the steps to reform for Norfolk Island. It represents the partnership between the Norfolk Island Government and the Australian Government to work together, to seek input from the community, and to embrace change to enable Norfolk Island to be strong and resilient.

1. Governance Reform

Aspirational goal

- Norfolk Island has a form of government that is affordable, sustainable and meets contemporary standards for transparency, accountability and efficiency;
- A model for the Norfolk Island Government that meets the needs of the community through a mutually acceptable and appropriate form of modified self government and is consistent with contemporary models for state, territory and local governments, but is modified to take into account the unique circumstances of Norfolk Island.

Why is this Important?

To provide a sustainable future for Norfolk Island.

Actions

Immediate:

- (a) consult with the Norfolk Island community on the roadmap;
- (b) inform the community on the need for change and for local leadership to drive the changes; and
- (c) demonstrate to the community the need for cooperative partnerships between the Norfolk Island and Australian Governments.

In 2011-12:

- (d) consult with the Norfolk Island community on the preferred model of self-government;
- (e) develop the legislative changes necessary to implement the agreed governance changes;
- (f) consult with the Joint Standing Committee on the National Capital and External Territories; and
- (g) implement an appropriate structure for the operation of the Kingston and Arthur's Vale Historic Area.

In 2012-13:

- (h) make the necessary amendments to the Norfolk Island Act to implement the agreed modified self-government model.

2. Economic Development

Aspirational goal

- The private sector economy is diverse, vibrant and robust, driving growth and prosperity;
- Tourism is focused on delivering a high quality and high value offer to attract tourists, with the removal of barriers to this as the highest priority;
- Norfolk Island is a domestic destination for Australian tourists;
- Norfolk Island's culture and heritage is valued, preserved, enhanced and recognized for its value to social and economic outcomes; and
- Positive action to encourage diversification and broaden the Island's economic base.

Why is this Important?

Tourism is the Island's principal industry and both Governments will pursue objectives to remove barriers to it.

Actions

Immediate:

- (a) The Commonwealth will provide resources to enable advice to be sourced by the Norfolk Island Government on the provision of air services;
- (b) Both Governments to identify and remove barriers to tourism with particular reference to reducing costs of travel;
- (c) Implement changes to the immigration, customs and quarantine regimes to reduce barriers to tourism and other investment; and
- (d) The Australian Government to consider waivers for the loans for the airport runway improvement and Cascade Cliffs.

In 2011-12, both Governments to work together to:

- (e) identify, cost and plan the major capital works needed to strengthen the Island's economy and services, with particular reference to port facilities, the hospital and the school and develop business cases for consideration by both Governments;
- (f) examine opportunities to improve the tourism experience on Norfolk Island such as sealing selected roads, access to coast, walking trails and modest tourist facilities;
- (g) update and implement the Tourism Strategy for Norfolk Island;
- (h) develop and implement a land use plan and town planning strategy; and
- (i) undertake a socio-economic study for Norfolk Island.

In 2011-15, both Governments to work together to:

- (j) review the National Park Threatened Species Recovery Plan for Norfolk Island;
- (k) implement the highest priority recommendations from the development studies for major capital works on Norfolk Island; and
- (l) facilitate opportunities to diversify the economy.

In 2012-15, continue approved minor capital works and initiate any approved major capital works.

3. Public Sector Management

Aspirational goal

- An efficient public service that meets the needs of the Norfolk Island Government and the community.

Why is this Important?

To ensure the Public Service is well positioned to deliver services and facilities that meet the needs of the community while working efficiently and at a consistently high standard.

Actions

Immediate:

- (a) The Commonwealth to fund an external review of the financial performance and financial sustainability of Norfolk Island and to provide advice on effective systems of financial management to the Norfolk Island Government;
- (b) The Commonwealth to fund an external review of the Norfolk Island public service to provide recommendations for reform and restructure; and
- (c) The Commonwealth to introduce Finance Minister's Orders.

In 2011-12, both Governments to work together to:

- (d) introduce the outcomes of the external review of the financial performance and financial sustainability; and
- (e) introduce the outcomes of the external review of the Norfolk Island Public Service.

From 2011-12, both Governments to work together to:

- (f) build capacity within the Norfolk Island Public Service, including succession planning and training.

4. Immigration, health, welfare and education

Aspirational goal

- A sustainable population with access to health, social welfare and education services comparable with the broader Australian community.

Why is this Important?

To encourage economic development and sustainability for Norfolk Island.

Actions

Immediate actions to promote economic development will be taken by both Governments as detailed in Item 2 – Economic development.

In 2011-12, both Governments to work together to:

- (a) remove barriers to business investment on Norfolk Island, including allowing Australian citizens to operate new businesses on Norfolk Island;
- (b) consider ways to provide facilities to ensure access by the community to contemporary health services;
- (c) consider ways to provide facilities and opportunities to provide excellent education outcomes on the island for future employment;
- (d) design a model that provides a full transition of Social Security and Medicare over the period from 2012-2013 through to 2013-14;
- (e) investigate the expansion of educational opportunities for tertiary and vocational education;
- (f) develop a land use plan that builds a sustainable economy and environment for Norfolk Island; and

- (g) review application of the *Migration Act 1958* (Cth) to Norfolk Island in order to enable its full application to the Island.

From 2012-13, both Governments to work together to:

- (a) extend *Social Security Act 1991* (Cth) to Norfolk Island. Social security arrangements to discourage non-resident unemployed moving to Norfolk Island;
- (b) extend Commonwealth health funding to Norfolk Island (eg Medicare and PBS); and
- (c) jointly develop an aged care strategy for Norfolk Island.

5. Taxation

Aspirational goal

- Participation by Norfolk Island community in the Australian taxation system.

Why is this important?

To allow the Norfolk Island people to enjoy equal benefits to that of the wider Australian community.

Actions

Immediate:

- (a) both Governments to include discussion of the transition to full participation in the Australian tax system in community consultations.

After June 2011, facilitate applications for tax file numbers by residents of Norfolk Island and for the years 2011-12 and 2012-13 years provide dry run returns.

In 2011-13, both Governments to work together to:

- (a) community education provided in relation to Australian income tax arrangements, including making e-tax available at selected public places (eg the library and administration buildings); and
- (b) Develop and communicate a transitional model for the introduction of the Australian Taxation system.

In 2012-13, Commonwealth to develop measures to assist with the introduction of the Australian tax system.

From 2013-14, the Australian tax system to apply on Norfolk Island, subject to implementing transitional arrangements addressing the wage and price impacts of imposing income tax.

Commonwealth GST will not apply to Norfolk Island and the Norfolk Island Government will have its own tax regime.

6. Environment

Why is this Important?

To ensure that the Island's environment and heritage is protected and improved to provide the key component of the tourism industry and is a healthy and attractive place to live.

Aspirational goal

- Norfolk Island's environment is protected, enhanced and assured by effective management, community consultation and participation.

Actions

Immediate: both Governments to agree the management arrangements for the Kingston and Arthur's Vale Historic Area.

In 2011-12, both Governments to work together to:

- (a) Develop a waste management strategy; and
- (b) Complete a AQIS pest and disease survey.

In 2012-2013, both Governments to work together to implement the waste management strategy.

7. Extension of Commonwealth Laws to Norfolk Island

Aspirational goal

- Participation by the Norfolk Island community in the rights and obligations of members of the Australian community.

Why is this Important?

To promote economic and environmental consistency through legislation.

Actions

In 2011-14, consider extending the following Commonwealth laws to Norfolk Island:

- (a) *Australian Bureau of Statistics Act 1975*;
- (b) *Bankruptcy Act 1966*;
- (c) *Corporations Act 2001*;
- (d) *Insurance Act 1973*;
- (e) *Insurance Contracts Act 1984*;
- (f) *National Consumer Protection Act 2009*;
- (g) *Private Health Insurance Act 2007*; and
- (h) *Trade Practices Act 1974*.

In 2011-15, progressively extend appropriate Commonwealth laws and the associated support agencies, to Norfolk Island on a portfolio by portfolio basis, including full community consultation and education programs.

In 2012-2013, to develop a program for both Governments to work in partnership to further the extension of agreed Commonwealth laws to the island.

Agreement

This agreement is made on the 2 day of March 2011 between

~~The Hon Simon Crean MP~~)
**Minister for Regional Australia,
Regional Development and Local Government**

Name of Witness

Witness sign here

And

The Hon David E. Buffett)
**Chief Minister
Norfolk Island Government**

Name of Witness

Witness sign here