

Public Inquiry into the Norfolk Island Regional Council – 2021

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Introductory

This submission will deal with four issues relating to NIRC financial and asset management:

1. Evolution of financial matters relating to the NIRC
2. The flow of financially-relevant information and the applied Local Government Act
3. Some aspects of NIRC financial experience
4. The Context of NIRC financial and asset management
5. A summary of major points is provided.

In addition:

- This submission is provided as e-file:
NIRC Public Inquiry 2021 – submission Chris Nobbs – Part I – text – 07MY21,
With three attachments provided in a separate e-file:
NIRC Public Inquiry 2021 – submission Chris Nobbs – Part II – attachments – 07MY21;
- Items submitted previously are noted;
- A brief biographical note is appended.

In what follows it will be necessary on occasion to distinguish between the NIRC's public representatives (mayor and councillors) and the operational arm of administrators/public servants (general manager and council administration). Where necessary, these will be referred to as "councillors" on the one hand and "GM" or "administrative staff" on the other, respectively. The generic terms "NIRC" or "Council" will otherwise be used. The Australian Government department responsible for Norfolk Island has, in recent years, been variously named. A list is given in an appendix to this submission.

1. Evolution of financial matters relating to the NIRC

1979-2016: the Norfolk Island Government (NIG) period. Over the period 1979 to 2015 Norfolk Island enjoyed a modicum of self-government, presided over by the Norfolk Island Government (NIG), as specified in the original *Norfolk Island Act 1979 (Cth)*. For over three decades (1979–2008) the NIG neither borrowed nor received monies from the Australian Government for recurrent expenditures. Over the almost two decades from, say, 1990 until the advent of the Global Financial Crisis in 2007–08, the NIG system on the whole proved quite capable of maintaining a reasonably balanced budget over all its day-to-day responsibilities. Although current expenditures were covered, insufficient funds were available for maintaining and adequately investing in new infrastructure. This was known and acknowledged at the time.

However towards the end of the 2000 decade medical costs on the island were rising, and the NIG's investment in its own airline, Norfolk Air, was proving extremely adverse financially. This led the Norfolk Island Chief Minister to approach the Commonwealth requesting they provide assistance to the Norfolk Island Government of around \$3.7m. Subsequently an MOU was agreed under which the Commonwealth would provide financial assistance for essential services on Norfolk Island under strict conditions. (Commonwealth of Australia and Government of Norfolk Island, 2010)

Notwithstanding these events a number of notable improvements were made to infrastructure on the island over 1979–2014, paid for by the Norfolk Island Government and community. These included the construction of a new Bicentennial Centre, of a new Library and Broadcasting Station, Police Station, International Airport Terminal, water and sewage treatment plant for the business district, Fire and Emergency Services Co-ordination Centre, Waste Management Centre, elements of the Works Depot, Telecom internet and mobile telephone services, the sealing and ongoing maintenance of the road network, and the share of funding for the KAVHA World Heritage Site. (In a number of these projects the NIG did in fact receive some Commonwealth assistance.) Welfare pensions and a Healthcare scheme (similar to Medicare) were also introduced, funded by the Norfolk Island Government.

On 2 March 2011, Minister Crean on behalf of the Commonwealth, and Chief Minister David Buffett on behalf of Norfolk Island, signed the *Norfolk Island Road Map*, designed to make reforms to strengthen the island's economic diversity, social cohesion and resilience, and unique heritage and environment. (The undertakings expressed in the *Road Map*, were to be unilaterally repudiated by the Commonwealth only four years later.) In 2012 the Commonwealth agreed to pay out the existing contracts associated with Norfolk Air, close down the airline, and underwrite a service agreement with Air New Zealand for the provision of air services to Norfolk Island.

In March 2014 Australian Assistant Minister of Infrastructure and Regional Development, Hon Jamie Briggs referred an inquiry into the economic development of Norfolk Island to the Joint Standing Committee on the National Capital and External Territories (JSCNCET). The report of the Standing Committee led finally to the passage of the *Norfolk Island Legislation Amendment Act 2015*. This Act saw the abolition of the Norfolk Island Legislative Assembly and the disbanding of the Norfolk Island Government and Public Service, and the absorption of Norfolk Island into the Australian taxation and welfare systems.

It is within the context of these changes that the Norfolk Island Regional Council (NIRC) came into being on 1 July 2016.

The conclusion to be drawn from the foregoing is that the Norfolk Island Government demonstrated over decades, with one notable exception, a capacity to manage its own financial affairs, and to live within its means (at least on current account).

2016-20: NIRC and requests for assessment and advice. The *Norfolk Island Legislation Amendment Act 2015 (Cth)* imposed far-reaching changes on Norfolk Island. The Legislative Assembly was replaced by a "regional council", constructed under Commonwealth legislation, modelled on a New

South Wales local authority template, and with substantially reduced powers. Key Acts under which the NIRC operates on a daily basis are the *Local Government Act 1993 (NSW)(NI)* and the *Planning Act 2002 (NI)*. A synopsis of the legal changes imposed on the island by the Commonwealth since July 2016 is provided as Attachment A. (Nobbs, 2020a)

Concern among councillors for the financial status of the NIRC were not long in emerging. Following its meeting of 20 December 2017 the NIRC wrote to the then Minister for Local Government and Territories, requesting that he commission a public inquiry to be carried out by the Productivity Commission, to determine the financial capacity of the island and how to grow Norfolk Island economically, socially, culturally and environmentally. To this request the Minister in response gave the reply that he had asked the then Department "to consider options for reviewing and monitoring the progress of the reforms". (Adams & Jackson, 2018; McVeigh, 2018)

In mid-2020 it appeared to those directly involved that the NIRC was running out of money to pay its day-to-day bills. In response the NIRC at its ordinary meeting of 24 June 2020 unanimously carried a resolution the core of which was that:

Council instructs the General Manager as a matter of priority to bring to Council for its endorsement terms of reference for the engagement of an appropriate consultant to conduct a full independent governance and financial audit of NIRC operations; and that the General Manager request the Commonwealth Government to meet the audit cost.
(NIRC, 2020a)

There followed an extraordinary meeting of Council on 3 July in which the Council endorsed terms of reference for the audit – to cover the broad areas of council governance and operations, financial performance, and financial sustainability. These terms were subsequently agreed by the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC), who also agreed to fund the audit project. DITRDC, in consultation with the NIRC General Manager, appointed two consultancy companies to carry out the audit: Nexia Australia, which would focus specifically on the financial performance of NIRC since 2016; and Grassroots Connections Australia (GCA), which would take a broad perspective covering all aspects of the issues raised.

In a parallel development, the NIRC, at its meeting on 3 September 2020, asked the then Minister to advocate to the Australian Government that a Royal Commission be established to inquire into and provide options for "... the most appropriate form of government for the non-self-governing territory of Norfolk Island that can achieve the majority support of the Norfolk Island People; and build a pathway to peace". (NIRC, 2020b)

Meanwhile the two consultant companies provided their final reports to DITRDC on 30 October and 15 November 2020 respectively. On 15 December the Assistant Minister for Regional Development and Territories, Hon. Nola Marino, having considered the two reports, wrote to the NIRC giving notice of her intention to suspend the NIRC under section 438I of the *Local Government Act 1993 (NSW)(NI)* for an initial period of three months, and to appoint an interim administrator. In making her decision the Minister drew particular attention to the findings of Nexia, which were also reflected in the broader findings of GCA, that NIRC evidenced: cost overruns on large projects; unsatisfactory asset management plans; and inadequately utilised accounting and financial transactions software. In her letter the Minister invited the NIRC to make any submissions they may care to on the subject of the possible suspension, within 28 days of the initial notice (by 12 January 2021 approximately). On 5 February 2021 Minister Marino appointed Mr Michael Colreavy as interim administrator.

Over the period 2016 to 2021 the NIRC has shown a continued concern for the financial problems of the island, and the need to develop stable and appropriate long-term developmental strategies for the benefit of the island's community. It was the NIRC, after all, that initiated the process of self-examination that led to the present Public Inquiry.

2021: The NIRC Public Inquiry. On 10 February 2021 Minister Marino went further and announced a public inquiry into the NIRC. As stated on the departmental website:

The inquiry will examine critical challenges facing the NIRC and whether the council and the elected councillors are discharging their responsibilities under the Act, with a particular focus on the NIRC's financial and asset management. These matters were identified as a major area of concern in the recent independent audit reports by Nexia Sydney Audit and Grassroots Connections Australia.

The Commissioner for the Inquiry and her colleagues visited Norfolk Island during April 2021 and held information sessions with the community. Formal hearings are scheduled for late May – early June 2021.

2. The flow of financially-relevant information and the applied Local Government Act

Section 223 of the *Local Government Act 1993 (NSW)(NI)* (the ‘applied Act’) sets out the role of the NIRC governing body, i.e. of the councillors. The role specific to the mayor is set out in section 226, of the councillors in section 232, and the functions of the general manager (GM) in section 335.

In the present submission the focus is on the relationship between the GM on the one hand and the mayor and councillors on the other, and concerns the flow of information between them, on Norfolk Island. As Martin and Aulich note:

The working relationship between the Mayor as the leader of the council and the chief executive officer (CEO) leading the council organisation is one of the most important relationships in local government. Mayors and CEOs recognise that the breakdown in this relationship can have long lasting, negative impacts on the capacity of a local government to deliver value for money services to its community.

(Martin & Aulich, 2012)

The relationship between the two ‘arms’ of council is described in the NSW Office of Local Government’s *Councillor Handbook*, which includes a graphic illustration of what is envisioned. (NSW Office of Local Government, 2017) This consists of an hourglass with the upper portion comprising the council’s governing body (the elected councillors) and their roles, and the lower portion identifying the general manager and council staff and their functions. The two parts of the hourglass are connected by a constricted waist. The text accompanying the figure states:

The elected council’s role may be compared to that of the board of a public company ...; the elected council oversees the activities of the council but is not involved in the day-to-day running of the council.

Councils employ staff to administer the council. The general manager is the most senior member of staff and is responsible to the council for carrying out council decisions and policy and overseeing the day-to-day operation of the council.

The general manager provides the link between the elected council and its employees. While all council staff have a duty to carry out council decisions, they are responsible to the general manager, not the councillors.

(This description is precisely that given by Mr Michael Colreavy the appointed council administrator, during his meeting with the Norfolk Island community at Rawson Hall on 6 April 2021.)

This describes a very ‘at a distance’ relationship between councillors and the GM, in which it can be said that the councillors’ role is seen as to determine policy and monitor performance, and it the GM’s role is seen as to implement council decisions on strategy and policy and advise council on strategies:

the two responsibilities being often referred to as 'policy matters' and 'operational matters' respectively. Information flow between the two arms of the local government is envisaged as being via the GM alone. Thus the GM position represents a choke point for information flow between council staff and councillors. It is the GM who, acting within the applied Act, has the capacity to the control information flow to councillors. This is a potentially dangerous and damaging situation. There are a number of reasons for this:

(i) it is the council staff who generate much of the information, and it is therefore up to the GM to decide whether in any case it refers to an operational or a policy matter and therefore whether it may or may not be made available to councillors. (One might ask whether all matters not covered by expressed council policies are thereby potentially excluded from councillors' access?);

(ii) it is impossible, except in trivial situations, to completely separate matters of policy from operational matters, and this becomes increasingly less possible the more major the issue under consideration. This is particularly glaring in the case on Norfolk Island where: (a) the NIRC is responsible for running a number of major services including an airport, an electricity undertaking, a telecommunications network and a liquor bond; and (b) as a very small isolated society, decisions taken reverberate and redouble around the community in many ways – unattenuated as they may be in larger, more extensive communities.

The dangers of any such dichotomous approach to information sharing are, in fact, several: first, it deprives councillors of knowledge that could be useful in their decision-making; second, and by either design or accident, it can allow senior managers to hide behind a veil of secrecy that is the opposite of the communication and accountability under which any council should operate; and third, it can disguise the fact that important decisions are being taken by management but for which, in the longer run, it is the councillors who will be held to account. It is an approach that has the potential for establishing a separate management fiefdom unresponsive to the wishes of the councillors or community.

The dangers of such a polarised, "public company" approach to information sharing in the case of NIRC have been identified, with examples, as an important issue at least as early in 2017. (Nobbs, 2017; Attachment B) A significant recent example of this inappropriate informational schism on Norfolk Island was the decision on the sourcing of rock for the airport maintenance work, which was decided within the council staff and without discussion with councillors. The decision taken had wide implications for the island's economy and well-being, including development of on-going local industry, capital imports, island employment, and together with their multiplier effects.

The comparison of an elected council to the board of a public company (as described in the *Councillor Handbook*) is grossly inadequate in the case of Norfolk Island in particular (and indeed probably of local authorities in New South Wales in general), for whereas a public company's primary objective is to deliver monetary profit to its shareholders, the primary objective of a council's governing body is to deliver services to its community, a much more complex, nuanced and interactive matter. What may be a peripheral matter for many councils, is of immense importance for Norfolk Island, for the reasons given above.

There should be no novelty in this claim: it is indicated in the discussion of Australia's island councils by Sinnewe and colleagues (Sinnewe et al., 2015); and it is implicit in the discussions following the 2007 release of the Lyons Report in the UK and its implications for Australian local government. (Lyons, 2007; Dollery et al., 2007)

Consequences for the Public Inquiry

(1) Under some scenarios the issue of information flow from council administration to decision-making councillors, provides of itself a major indicator as to the origins of the financial and asset management crisis in which NIRC now finds itself. It therefore behoves the Public Inquiry to examine exhaustively and in depth the extent to which councillors may have been required to make decisions with less

information than optimal from a community point of view; and the extent to which policy decisions may have been usurped by the administration.

There are in addition further issues that need to be flagged in relation to this matter:

(2) The initial GM appointment for NIRC was done by the Commonwealth, not by NIRC.

The NIRC did however reappoint the GM, who served up to resigning in August 2019. A major reason for the day-to-day and continued acceptance by councillors of the imposed dichotomy described above, was, in my view, the belief by councillors – as was verbally expressed to me on a number of occasions by councillors themselves – that "This is the law under the new arrangements, so we've just got to accept it", without understanding that the interpretation of the law could be heavily dependent on the perspective adopted by the individual GM. In my view this points to an inadequate preparation provided by the Commonwealth to NIRC councillors as they submitted themselves to what was for them an imposed and unfamiliar regime.

(3) As a related matter, it is my view that early adopted NIRC policies (for example in relation to councillor access to information and interaction with staff, manner of making complaints to council, and interactions with media) in their expression – as compared to those of say, Ballina Shire – promoted what I have previously referred to as a "Prussian" approach to interactions between council staff and the Norfolk Island community. (Nobbs, 2017; Attachment B) It has been my sense – but one difficult to substantiate in real terms – that this gave rise to an oppositional relationship between community and council staff.

(4) The foregoing discussion has, in my view, exposed a significant inadequacy in the *Local Government Act 1993 (NSW)(NI)* applied on Norfolk Island, and indeed for the *Local Government Act 1993 (NSW)* as applied elsewhere.

Council administrations should be required, for the benefit of transparency, accountability, and council's capacity in decision making, to provide councillors with all information they request, within reason (excluding matters of genuine confidence).

3. Some aspects of NIRC financial experience

In the financial experience of Norfolk Island since 1979, it has always been recognised that whereas current expenditures were reasonably well covered by the NIG, the availability of moneys for investment remained problematic.

There are around 540 local government bodies in Australia covering a diverse range of metropolitan, regional, rural, and Indigenous communities. Of these, about 60-70 per cent are classed as regional or rural.

The financial experience of Norfolk Island as a very small, isolated island, has been mirrored by Australian experience, in which it has been recognised for many years that the financial sustainability of local governments is a serious problem. Many studies have shown that there has been a secular decline in local infrastructure, with "own-source" revenue unable to cover necessary investment. Those local governments considered the least financially viable are accumulated in the categories of "rural agricultural" and "rural remote". (Access Economics, 2006; Price Waterhouse Cooper, 2006; Dollery et al., 2006). Little has changed since those investigations. (NSW Treasury Corporation, 2013; (Dollery et al., 2013). The current indication by ALGA is that for local government in Australia, while its roles and responsibilities have grown significantly over time, its revenue base has not. (ALGA, 2021)

The JSCNCET in its 2014 considerations of Norfolk Island makes no mention whatsoever of the funding issues experienced by local authorities in Australia, and appeared to believe that, in the case of Norfolk Island, all that was required for profitability was a change in governance according to its

preferred prescription. Nor did the submission by DIRD to the JSCNCET inquiry, while denigrating the NIG's performance, make any mention of the financial problems experienced by comparable Australian local governments.

It appears therefore that in governance terms NIRC was wrong-footed from the start, and this has led to a number of issues which have complicated the financial and asset management of the NIRC since its inception. The following paragraphs indicate some issues which have imposed upon NIRC's ability to provide well-balanced financial and asset management.

(a) estimations of NIRC's financial status

It appears that Commonwealth entities have in the past invariably underestimated the horizontally equitable grant apportionments due to Norfolk Island (via NIRC), thus putting stress on NIRC's abilities to achieve positive results for the community.

The initial Financial Assistance Grant (FAG) under the Commonwealth programme for such grants to local authorities was calculated for 2016-17 on behalf of DIRD by the NSW Local Government Grants Commission (LGGC), according to its established methodology. The general purpose component of the FAG for 2016-17 was determined at \$1,791,000 and the local roads component at \$102,690 (\$1,893,690 overall). However the executive officer of the NSW LGGC in his report on the matter noted that "It is not possible for the LGGC to make a comparative financial assistance grant assessment for Norfolk Island on the same basis as NSW local governing bodies". Following representations by NIRC to the then Minister requesting an urgent recalculation of the FAG on the basis of additional disabilities, the NSW LGGC calculated the overall FAG for 2017-18 as \$2,449,738 (a 30 per cent increase overall), but with the same caveat as previously. There was a further overall FAG increase of 40 percent for 2018-19, and it is understood, a further 15 per cent over for 2019-20.

In 2017 DIRD engaged KPMG to review the determination of the FAG for Norfolk Island, particularly in relation to the disability factors applied. (KPMG, 2017) Their key finding was that:

.....Given the remote island disadvantage of Norfolk Island, there are a number of factors within this [NSW LGGC] method, and other considerations associated with Norfolk Island itself, that may warrant a different funding approach in addition to the current NSW LGGC calculation of the FAG.

In 2019 the Department of Infrastructure, Regional Development and Cities (DIRDC) engaged the Commonwealth Grants Commission (CGC) to inquire into the provision of, and funding for, state-type and local government-type services for Norfolk Island. In responding to this brief the CGC described its task as seeking:

"credible costing-related information to:

- ❖ support its [DIRDC's] consideration of options for the provision of State-type and local government services, and for State-type government business enterprises;*
- ❖ provide estimates of the annual expenditure, including infrastructure costs, required to provide these services, by reference to the services available in comparable [Australian] communities;*
- ❖ identify the capacity of Norfolk Island to raise revenue from a range of taxes and charges comparable to those levied by State and local governments, assuming it makes the average Australian revenue raising effort." (p. ix)*

The CGC published its final report in November 2019. (CGC, 2019) The report considered in detail the costs of providing individual services to such an isolated island, according to its standard methodology. However in relation to the capacity of Norfolk Island to raise revenue, the report included no estimate of the influence of cost of living on Norfolk Island, which is extremely high due in particular to uniquely

high freight costs. In consequence this inquiry grossly overestimated the ability of Norfolk Island to raise revenue on a horizontal equity basis. (Nobbs, 2020b)

(b) loss of planning-relevant statistics

In comparison to the years prior to the change of regime, there has been major losses to the NIRC, of statistics relevant to planning and risk management.

Prior to 2016 the NIG was able to directly and sensitively monitor the island's economy through the monthly returns of import duty payments and Norfolk Island-imposed GST payments. Both statistics have now been lost as there are now no import duties to Norfolk Island and no Australian-GST payments either, and no comparable statistics are available to replace them. The Norfolk Island Retail Price Index (RPI), reflecting as it did the unique price situation of Norfolk Island, was discontinued around 2015.

Prior to 2016 NIG passenger arrival cards provided significant information for tourism planning, but since 2016 such cards have been replaced by Australian incoming passenger cards which are the responsibility of Australian Border Security, which provide less planning information of themselves, and not all of which Border Security shares with NIRC in any case.

The declining availability of data on the Norfolk Island economy and society has been identified by the 2019 KPMG report on monitoring the Norfolk Island economy (KPMG, 2019, p.17). Data from the quinquennial ABS census of population and housing, possibly supplemented by those from other national organisations such as the Tourism Research Australia, is grossly inadequate for Norfolk Island purposes, raising issues of timeliness, survey small numbers, and cost. (Nobbs, 2020c)

(c) immigration

Prior to the change of regime in 2016, the NIG was able to exercise some control on immigration to the island. With the introduction of the new governance regime and the integration of Norfolk Island into the Australian immigration zone, all such control has been lost, and migration to Norfolk Island is now open to any Australian without restriction. This appalling "open borders" policy of small island immigration is not matched by that of any known small island in the Pacific or elsewhere. A discussion of the issue of immigration to Norfolk Island is provided as Attachment C. (Nobbs, 2020d)

In relation to Norfolk Island's needs, unrestrained immigration from Australia is:

- o Damaging economically and environmentally because of effects of population increase on the island's environmental quality, and on natural resources such as water and rural land, with consequent damage to the island's agriculture and long-term food security, and tourism;
- o Damaging socially and culturally because of the unrestrained pressure being put on what is unique about the island in terms of culture, language and tradition. And this within the context of the Norfolk language having been identified by UNESCO as one of the world's endangered languages.

There is an urgent need to control (not eliminate) immigration to Norfolk Island. The current policy is disastrous for the abilities of NIRC to plan successfully in the present and for the future – particularly in a financial environment of limited means.

(d) responsibilities unresolved

There are a number of legacy financial issues derived from the changeover in governance in 2016 that are, as I understand it, yet unresolved between NIRC and the Australian Government. (These issues will no doubt feature prominently in other submissions to the Public Inquiry). The issues include:

(i) re-imbursement to NIRC of biosecurity costs in relation to the importation to the island of rock for the airport maintenance recently carried out by Boral (\$4.2m): it being claimed by NIRC that biosecurity is a Commonwealth responsibility;

(ii) responsibility for the cost of road sealing carried out by Boral while on-island in 2020 (\$3.9m). Here the issue is the meaning of the undertaking given by the Commonwealth that asset transfers at the time of regime change should be such that no disadvantage accrue to the new NIRC as a result of the asset transfer process. (Fleming, 2016)

Consequences for the Public Inquiry

Awareness of the above matters should inform the Inquiry's investigations and decisions.

4. The Context of NIRC Financial and Asset Management

It is axiomatic that the meaning to be attached to a fact of any sort – in terms of its policy significance – is determined by its context.

The foregoing submission has focussed on some issues for NIRC, significant in relation to financial and asset management and within the Public Inquiry's terms of reference. These matters have inevitably spilled over into broader considerations. To a major degree this is a consequence of the narrow confines of the terms of reference of the Inquiry.

In the cases considered here, the Commonwealth itself (and the Department of Infrastructure in particular) has played a role in circumscribing the ability of the NIRC to adequately manage its finances and assets.

The confining nature of the terms of reference, and the consequent tendency of the issues raised to spill beyond its borders, raises two important issues:

- o First, it indicates that, as a response to the range of problems currently besetting NIRC and Norfolk Island, and the appeals made by the NIRC for an orderly future island evolution, the current Inquiry can only be partial at best. It cannot solve the whole problem, the dimensions of which have been set out many times and at length elsewhere.
- o Second, given the focus of the Inquiry on the conduct of the NIRC and its governing body, there is a danger that the drawing of conclusions may become dominated by blaming the victim. Such an outcome would be both unwise and unjust.

5. Submission Summary

- (1) The Norfolk Island Government demonstrated over decades, with one notable exception, a capability to manage its financial affairs, and to live within its means (at least on current account). The Government also demonstrated an on-going concern for the financial problems of the island, and the need to develop long-term developmental strategies: a concern that was continued by the NIRC under the regime introduced in 2016. It was in fact the NIRC that initiated the process of self-examination that led to the present Public Inquiry.
- (2) This submission draws particular attention to the importance of information flow between the GM and councillors, and identifies problems in this relationship within NIRC and its governing body. The Public Inquiry needs to examine in close detail the extent to which this problem has been at large in the experience of NIRC, and been responsible for the present crisis.

- (3) The submission exposes a significant deficiency in the *Local Government Act 1993 (NSW)(NI)* (and one which is relevant to all local authorities covered by the *Local Government Act 1993 (NSW)*).
- (4) The capacity of the Norfolk Island representative body (previously the NIG, currently the NIRC) to make adequate financial decisions has been degraded in recent times due to: (i) incorrect comparative estimations of the island's financial capacity; (ii) the loss of planning-relevant statistics; (iii) unresolved legacy issues; and (iv) overwhelmingly, the opening of unrestricted immigration to the island. Awareness of these matters should inform the Inquiry's investigations and deliberations.
- (5) In the cases considered here, the Commonwealth itself (and the Department in particular) has played a role in circumscribing the ability of the NIRC to adequately manage its finances and assets.
- (6) Given the confining nature of the Inquiry's terms of reference, there is a danger that the drawing of conclusions could become dominated by blaming the victim. Such an outcome would be both unwise and unjust.

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Appendix

The Australian Government department responsible for Norfolk Island has been subject to a number of name-changes in recent years:

DIRD	Department of Infrastructure and Regional Development (September 2013 – December 2017)
DIRDC	Department of Infrastructure, Regional Development and Cities (December 2017 – May 2019)
DITCRD	Department of Infrastructure, Transport, Cities and Regional Development (May 2019 – January 2020)
DITRDC	Department of Infrastructure, Transport, Regional Development and Communications (January 2020 -)

Attachments hereto (as Submission, Part II)

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Biographical Note

This submission is prepared by Dr Chris Nobbs. I hold degrees in both natural science (University of Auckland) and in economics (University College, London, and University of Cambridge). I have been a consultant and administrator at the OECD, Paris, and a public servant at local, state, national and international levels. I have a long-term interest in the economy and community of Norfolk Island, where I was born.