

<b>FUNDING AGREEMENT FOR THE NORFOLK ISLAND TERRITORY</b>	
<b>COMMONWEALTH OF AUSTRALIA</b> as represented by the Department of Regional Australia, Local Government, Arts and Sport ABN 37 862 725 624  <b>ADMINISTRATION OF NORFOLK ISLAND</b> ABN 37 862 725 624	

## CONTENTS

1.	Interpretation	2
2.	Term of this agreement	4
3.	Payment	4
4.	Management of Funding	5
5.	Expenditure of Funding	7
6.	Records	7
7.	Reporting	8
8.	Taxes, Duties and Government Charges	8
9.	Liaison and Monitoring	8
10.	Disclosure of Information	9
11.	Indemnity	9
12.	Access to Premises and Records	10
13.	Termination with Costs	10
14.	Termination for Default	11
15.	Compliance with Laws	12
16.	Entire Agreement, Variation and Severance	12
17.	Waiver	13
18.	Assignment	13
19.	Survival	13
20.	Dispute Resolution	14
21.	Applicable Law and Jurisdiction	14
22.	Notices	14
	Schedule 1.	16
	Schedule 2. Specified Improvements	19

## FUNDING AGREEMENT

### Parties

This agreement is made between and binds the following parties:

1. **COMMONWEALTH OF AUSTRALIA** (Commonwealth) represented by and acting through the Department of Regional Australia, Local Government , Arts and Sport ABN 37 862 725 624 of GPO Box 803, Canberra City ACT 2601 (Department)

and

2. **ADMINISTRATION OF NORFOLK ISLAND**, a body politic constituted by s.5 of the *Norfolk Island Act 1979* (Cth) (**Norfolk Island**)

### Context

This agreement is made in the following context:

- A. Norfolk Island has requested Funding from the Commonwealth to assist it to provide essential services to the Norfolk Island community for the remainder of the 2013-14 financial year.
- B. The Commonwealth has agreed to support the provision of the essential services by providing the Funding to Norfolk Island to be used for the Specified Purposes on the terms and conditions of this agreement.
- C. The Department is required by law to ensure accountability for public money, and to be accountable for all Funds provided by the Commonwealth.
- D. Norfolk Island agrees to accept and use the Funding for the Specified Purposes, and otherwise subject to the terms and conditions, set out in this agreement.

## Operative provisions

In consideration of the mutual promises contained in this document, the parties agree as follows:

### 1. Interpretation

1.1. In this agreement, unless the contrary intention appears:

<b>Administrator</b>	means the Administrator for Norfolk Island which has the same meaning as in the <i>Norfolk Island Act 1979</i> (Cth).
<b>Arrangement</b>	has the same meaning as 'arrangement' in the Commonwealth Finance Minister's (Norfolk Island) Orders 2011 (Cth).
<b>Auditor-General</b>	means the office established under the <i>Auditor-General Act 1997</i> (Cth) and includes any other entity that may from time to time perform the functions of that office.
<b>Australian Auditing Standards</b>	refers to the standards set by the Auditor-General under section 24 of the <i>Auditor-General Act 1997</i> (Cth) and generally accepted audit practices to the extent they are not inconsistent with such standards.
<b>Business Day</b>	means, in relation to the doing of any action in a place, any day other than a Saturday, Sunday or public holiday in that place.
<b>Chief Minister</b>	has the same meaning as in the <i>Norfolk Island Act 1979</i> (Cth).
<b>Commencement Date</b>	means 1 July 2013 unless otherwise agreed in writing by the parties.
<b>CFM Orders</b>	means the Commonwealth Finance Minister's (Norfolk Island) Orders 2011.
<b>CFO</b>	means the Commonwealth Financial Officer for Norfolk Island as specified in section 51D of the <i>Norfolk Island Act 1979</i> .
<b>Completion Date</b>	means 30 June 2014 unless otherwise agreed in writing by the parties.
<b>Department</b>	means the Department of Regional Australia, Local Government, Arts and Sport (DRALGAS) and includes the Department's officers, delegates, employees, agents and the Department's successors.
<b>Electronic Communication</b>	has the same meaning as in the <i>Electronic Transactions Act 1999</i> (Cth).
<b>Funding or Funds</b>	means the amounts payable under this agreement by the Department as specified in the Schedule,



	including interest earned on that amount.
<b>GST</b>	has the meaning as given in section 195-1 of the GST Act.
<b>GST Act</b>	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Intellectual Property Rights</b>	includes all copyright, registered and unregistered trade marks (including service marks), and all other rights resulting from intellectual activity in the literary or artistic fields.
<b>Interest</b>	means the rate per cent per annum determined to be the average bid rate for bank accepted bills of exchange (as defined in the <i>Bills of Exchange Act 1909</i> (Cth)) published by Reuters at or about 10am on the first day that interest would be due and payable under this agreement plus 1% per annum calculated on a daily compounding basis.
<b>Liaison Officer</b>	means the liaison officer for each party specified in the Schedule or such other person as notified in writing by each party.
<b>Minister</b>	means the Commonwealth Minister responsible for Territory matters which has the same meaning as 'responsible Commonwealth Minister' in the <i>Norfolk Island Act 1979</i> (Cth).
<b>Norfolk Island</b>	includes, where the context admits, Norfolk Island officers, employees, agents and contractors.
<b>Norfolk Island Act</b>	means the <i>Norfolk Island Act 1979</i> (Cth).
<b>Notice</b>	means the seeking of formal variation to the funding agreement.
<b>Public Account</b>	means the Public Account of Norfolk Island established by subsection 47(1) of the <i>Norfolk Island Act 1979</i> (Cth).
<b>Records</b>	includes documents, information and data stored by any means and all copies and extracts of the same.
<b>Report</b>	means a report that is provided by Norfolk Island to the Department on the use of the Funding and progress reports and evaluations of the obligations under this agreement, as stipulated in the Schedule.
<b>Trust Fund</b>	means the Trust Fund forming part of the Public Account of Norfolk Island
<b>Schedule</b>	refers to a schedule to this agreement.
<b>Specified Purposes</b>	means the purposes specified in Schedule 1.
<b>Taxable Supply</b>	has the same meaning as it has in the GST Act.

<b>Term</b>	means the term of this agreement described in clause 2.1.
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- 1.2. In this agreement, unless the contrary intention appears:
- a. words in the singular number include the plural and words in the plural number include the singular;
  - b. words importing a gender include any other gender;
  - c. words importing persons include a partnership and a body whether corporate, politic or otherwise;
  - d. all references to clauses are clauses in this agreement;
  - e. an uncertainty or ambiguity in the meaning of a provision of this agreement will not be interpreted against a party just because that party prepared the provision; and
  - f. where any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
- 1.3. The Schedules (and annexures and documents incorporated by reference, if any) form part of this agreement. In the event of any conflict or inconsistency between any part of:
- a. the terms and conditions contained in the clauses of this agreement;
  - b. the Schedules;
  - c. the annexures, if any; and
  - d. the documents incorporated by reference, if any,
- then the material mentioned in any one of paragraphs (a) to (d) of this clause 1.3 has precedence over material mentioned in a subsequent paragraph to the extent of any conflict or inconsistency.

## **2. Term of this agreement**

- 2.1. The Term commences on the Commencement Date and, unless terminated earlier, expires on the Completion Date.
- 2.2. The Department and Norfolk Island may agree at any time to extend the Term on such conditions as are agreed in writing between the Department and Norfolk Island.

## **3. Payment**

- 3.1. The Department will provide Norfolk Island with the Funding at the times and in the manner specified in the Schedule, subject to:
- a. sufficient funds being available to the Department,
  - b. Norfolk Island acting, in the Department's opinion, in a reasonable and financially prudent manner, ensuring that it preserves its overall financial position; and

- c. compliance by Norfolk Island with this agreement.
- 3.2. In consideration of the provision of the Funds, Norfolk Island must:
  - a. deposit the Funds in the Trust Fund in the Public Account of Norfolk Island; and
  - b. use the Funds only for the Specified Purposes and on the terms and conditions set out in this agreement.
- 3.3. Without limiting the Department's rights, the Department may withhold or suspend any payment in whole or in part until Norfolk Island has performed its obligations under this agreement.
- 3.4. During the Term, Norfolk Island must:
  - a. not incur or renegotiate any new arrangements over \$50,000.00 that commit liabilities or obligations that reduce its ability to meet its liabilities without first disclosing the proposed arrangements to the Commonwealth, giving the Commonwealth a reasonable opportunity to provide comments, and the Department formally agreeing the expenditure. The Department will seek the advice of the Administrator and Commonwealth Financial Officer (CFO) in making its decision;
  - b. work with the Commonwealth in a genuine manner to implement improvements to Norfolk Island's financial framework, public sector governance and accountability arrangements and agree to remain committed (including publicly) to those reforms;
  - c. (i) implement the provisions and particular improvements specified in Schedules 1 and 2;  
(ii) in the event that Norfolk Island does not implement the particular improvements specified in Schedules 1 and 2, clause 20 may be invoked;
  - d. publicly support the current AQIS pest and disease survey; and
  - e. continue to work with the Commonwealth in reviewing government services to be delivered on Norfolk Island.
- 3.5. The milestones outlined in Schedules 1 and 2 are intended to be upheld beyond the life of the current Norfolk Island Parliament. Accordingly, any rescinding of Acts or amendments to regulations that undermine the reforms outlined in Schedules 1 and 2 unless agreed by the Commonwealth will form grounds for termination of the agreement.

#### 4. **Management of Funding**

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- 4.1. Payment of any funding provided by the Commonwealth will be subject to the Government of Norfolk Island meeting agreed milestones and working collaboratively through the required legislative and regulatory changes to ensure the smooth introduction of the reforms outlined in the Schedules of this agreement. The Department will manage this funding agreement with the Administrator and CFO providing written advice to the Department confirming that funding milestones have been met, or not, prior to the release of funds by the Department.



- 4.2. Norfolk Island agrees to hold the Funding in the Trust Fund and create a new head within the Trust Fund for the Funding in accordance with section 11 of the *Public Monies Act 1979 (NI)* and ensure that the Funding is credited to that head.
- 4.3. Norfolk Island must hold the Funding in a bank account that is:
  - a. established solely for the purposes of this agreement;
  - b. separate from Norfolk Island's other operational bank accounts holding moneys credited to the Public Account of Norfolk Island; and
  - c. operated by two signatories approved by the Department or, in the case of a recovery of a debt due and owing under this agreement, by the liaison officer of the Department.
- 4.4. The Department reserves the right to specify one of the required signatories to the bank account in which the Funds are to be held.
- 4.5. Norfolk Island must provide the Department with a written authority for the Department to obtain any details from the bank relating to any use of the bank account in which the Funds are to be held.
- 4.6. Norfolk Island must ensure that Funds that are withdrawn from the bank account must be applied immediately for the purpose for which they are withdrawn.
- 4.7. Norfolk Island must keep separate financial Records of its receipt and use of the Funds, so as to enable all income and expenditure related to the Funds to be identified in the Trust Fund including complying with section 8(6) of the *Public Monies Act 1979 (NI)*.
- 4.8. Norfolk Island must immediately return any unspent Funds including interest earned on funds, to the Department on termination or expiration of this agreement which shall be a debt due to the Commonwealth.
- 4.9. Unexpended Funds under clause 4.8 may be recovered by direction of the Department to the banking institution to transfer those Funds from the account established for the purposes of clause 4.3 to an account nominated in writing by the Department.
- 4.10. If, at any time during the Term, there remains an amount of Funding that has not been expended in accordance with this agreement or not acquitted to the Department's reasonable satisfaction, then this amount must be refunded by Norfolk Island to the Department within 20 Business Days of a written notice from the Department or dealt with as directed in writing by the Department.
- 4.11. If an amount under clause 4.10 is not refunded to the Department within 20 Business Days or as otherwise directed by the Department, Interest will accrue and be payable on the amount after the expiry of the 20 Business Days or such longer period as is directed until the amount is paid in full.
- 4.12. Any amount owed to the Department under clause 4.10 and any Interest owed under clause 4.11, will be recoverable by the Department as a debt due to the Department by Norfolk Island without further proof of the debt by the Department being necessary.

- 4.13. Norfolk Island agrees that any amount owed to the Department under clause 4.10 and any Interest owed under clause 4.11 may be recovered by direction of the Department to the banking institution to transfer those Funds from the account established for the purposes of clause 4.3 to an account nominated in writing by the Department. In this regard Norfolk Island agrees to provide the necessary direction to the banking institution upon the Department's request.

## 5. Expenditure of Funding

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- 5.1. Norfolk Island must only expend the Funding (including any interest) for the Specified Purposes on the terms and conditions set out in this Funding agreement.
- 5.2. Norfolk Island must expend the Funds on the Specified Purposes during the Term and must not commit any part of the Funds for expenditure that is likely to occur after the end of the Term without prior written approval from the Department.
- 5.3. The Department is not responsible for the provision of additional money to meet any expenditure in excess of the Funds.
- 5.4. Any expenditure of the Funds by Norfolk Island on a procurement of goods or services must provide value for money, which (except as agreed in writing by the Department) will involve:
- a. a comparative analysis of all relevant costs and benefits of each procurement proposal throughout the whole procurement cycle (whole-of-life costing);
  - b. encouraging competition by ensuring non-discrimination in procurement and using competitive procurement processes;
  - c. promoting the use of resources in an efficient, effective and ethical manner; and
  - d. making decisions in an accountable, ethical and transparent manner.
- 5.5. Norfolk Island must seek the agreement of the Department of all proposed procurements and specific items of expenditure over \$50,000.00 where they relate to new arrangements. Funding requests should also be provided to the Administrator and the CFO. Norfolk Island shall provide further detail of the proposed expenditure and any procurement process undertaken upon the Department's written request.
- 5.6. Norfolk Island agrees that it will not make any payment from the bank account established for the purposes of clause 4.3 unless the CFO is satisfied that Norfolk Island has demonstrated that the proposed expenditure provides value for money and signifies its agreement in writing that the proposed expenditure provides value for money.

## 6. Records

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- 6.1. Norfolk Island must keep full and accurate Records of the use of Funding and achievements against the milestones of this agreement.
- 6.2. The Records must identify:
- a. the amount of Funds received from the Department;

- b. the date of receipt of the Funds;
  - c. details of the account into which the Funds are deposited, including separately identifying any interest earned on the Funds;
  - d. the date of withdrawal of the Funds;
  - e. the Specified Purpose to which the Funds were applied; and
  - f. achievement against each milestone outlined in Schedule 2.
- 6.3. Norfolk Island will provide to the CFO a monthly reconciliation of the account established under clause 4.3 certified by the Chief Executive Officer (CEO) of the Administration as a true and accurate record within 20 Business Days of the end of each month.
- 6.4. Records maintained under clause 6.1 must be retained by Norfolk Island for a period of no less than 7 years after the end of the Term.

## **7. Reporting**

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- 7.1. Norfolk Island must provide to the Department, Administrator and the CFO progress reports against each milestone outlined in Schedules 1 and 2. Evidence supporting achievement of milestones need to be included (but not limited to): reports and papers; copies of legislation – introduced and passed; and records of meetings and participants.
- 7.2. The final report, reflecting milestone payments in June 2014, must be received no later than 30 November 2014, as agreed in writing with the Department.
- 7.3. After the expiry of the Term or any earlier termination of this agreement these reports will be subject to audit by the Auditor General.

## **8. Taxes, Duties and Government Charges**

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- 8.1. All taxes, duties and government charges imposed or levied in Australia or overseas in connection with this agreement must be borne by Norfolk Island.
- 8.2. The parties agree that section 83-5 of the GST Act applies to any taxable supply made under this agreement and that the Department is liable to pay any GST on a taxable supply made to the Department under this agreement.
- 8.3. The Funds paid by the Department under this agreement exclude any amount on account of any GST imposed on supplies provided by Norfolk Island to the Department in accordance with this agreement and which are Taxable Supplies.

## **9. Liaison and Monitoring**

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- 9.1. Norfolk Island must:
- a. liaise with and provide information to the Department as reasonably required by the Department; and
  - b. comply with all the Department's, Administrator and the CFO's reasonable requests, directions or monitoring requirements.



- 9.2. Norfolk Island may nominate, from time to time, a person who has authority to receive and sign notices and written communications for Norfolk Island under this agreement and accept any request or direction in relation to the Services, such person to be identified in Schedule 1 as the Norfolk Island Liaison Officer.
- 9.3. The Department will provide feedback to Norfolk Island on substantive queries raised in respect of this agreement and where the matter cannot be satisfactorily resolved within the 10 days, estimate a timeframe for providing a more substantive response, recognising that some matters may lie outside of the Department's responsibilities. Where the matter raised relates to a dispute, clause 20 applies.

## 10. Disclosure of Information

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- 10.1. Norfolk Island acknowledges that the Department may be required to provide information in relation to the Funding or this agreement, as required by any law, judicial or parliamentary body or governmental agency and accordingly the Department can give no undertakings to treat any of the Reports, other information relating to Norfolk Island or this agreement as confidential information.

## 11. Indemnity

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- 11.1. Norfolk Island agrees to indemnify and keep indemnified the Department against any:
- a. loss or liability incurred by the Department;
  - b. loss of or damage to the Department's property; or
  - c. loss or expense incurred by the Department in dealing with any claim against the Department in connection with this agreement, including legal costs and expenses on a solicitor/own client basis and a cost of time spent, resources used, or disbursements paid by the Department, arising from:
  - d. any act or omission by Norfolk Island in connection with this agreement, where there was fault on the part of the person whose conduct gave rise to that liability, loss, damage, or expense;
  - e. any breach by Norfolk Island of its obligations or warranties under this agreement; or
  - f. any claims by third parties about the ownership or right to use Intellectual Property Rights.
- 11.2. In this clause 11, "fault" means any negligent or unlawful act or omission or wilful misconduct.
- 11.3. Norfolk Island's liability to indemnify the Department under this clause 11 will be reduced proportionally to the extent that any fault on the Department's part contributed to the relevant loss, damage, expense or liability.
- 11.4. The Department's right to be indemnified under this clause 11 is in addition to, and not exclusive of, any other right, power, or remedy provided by law, but the Department is not entitled to be compensated in excess of the amount of the relevant liability, damage, loss or expense.

- 11.5. The Department will, in consultation with Norfolk Island, take all reasonable steps to mitigate any circumstances which arise or which would arise or which would result in any amount becoming payable under clause 11.1.

## **12. Access to Premises and Records**

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- 12.1. Norfolk Island agrees that it must provide through the CFO a full, accurate, timely and ongoing disclosure of its financial position together with such independent verification of that position as may be available or required by the Department.
- 12.2. Norfolk Island must upon request, provide the Department, Administrator and/or the CFO with copies of Records and such material for purposes associated with this agreement, any review of performance under this agreement or any other matter pertaining to its obligations under this agreement.
- 12.3. Norfolk Island must give persons authorised in writing by the Department (referred to in this clause 12 collectively as 'those permitted') access to premises (at the risk and expense of those permitted) at which Records and other material associated with this agreement are stored at all reasonable times and allow those permitted to inspect and copy Records and such material for purposes associated with this agreement or any review of performance under this agreement.
- 12.4. Norfolk Island must provide all reasonable assistance requested by those permitted when they exercise the rights under clause 12.3
- 12.5. The rights referred to in clause 12.1 are subject to:
- a. the provision of reasonable prior notice by those permitted (except where they believe that there is an actual or apprehended breach of the law); and
  - b. Norfolk Island's reasonable security and safety procedures.
- 12.6. The requirement for access as specified in clause 12.3 does not in any way reduce Norfolk Island's responsibility to perform Norfolk Island's obligations in accordance with this agreement.
- 12.7. This clause 12 applies for the Term and in respect of records related to this agreement, for a period of 7 years from the date of expiration or earlier termination of this agreement.

## **13. Termination with Costs**

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- 13.1. The Department may, by one month's written notice to Norfolk Island, terminate this agreement in whole or reduce the scope of this agreement without prejudice to the rights, liabilities or obligations of either party accruing prior to the date of termination.
- 13.2. If this agreement is terminated or reduced in scope the Department will only be liable for:
- a. subject to clause 13.3, payments then due and payable under the payment provisions of this agreement; and
  - b. subject to clauses 13.4 and 13.5, any reasonable costs incurred by Norfolk Island and directly attributable to the termination of this agreement or reduction in scope of the agreement,

provided that nothing in this clause requires the Department to pay to Norfolk Island an amount exceeding the total Funding which would have been payable under this agreement had it not been terminated or reduced in scope.

- 13.3. Upon receipt of a notice of termination or reduction in scope Norfolk Island must:
- a. cease or reduce the performance of its obligations under this agreement in accordance with the notice;
  - b. immediately do everything possible to mitigate all losses, costs and expenses arising from the termination or reduction in scope contained in the notice; and
  - c. immediately return to the Department any Funds in accordance with clause 13.4.b or deal with any such Funds as the Department may direct in writing.

- 13.4. Where the Department terminates this agreement under clause 13.1 the Department:
- a. will not be obliged to pay to Norfolk Island any outstanding amount of the Funds, except to the extent that those monies have been legally committed for expenditure by Norfolk Island in accordance with this agreement and which are immediately payable by Norfolk Island (written evidence of which will be required) by the date notice of termination given under clause 13.1 is deemed to be received under this agreement; and
  - b. will be entitled to recover from Norfolk Island any part of the Funds which:
    - i. has not been legally committed for expenditure by Norfolk Island in accordance with this agreement and which are not immediately payable by Norfolk Island (written evidence of which will be required) by the date the notice of termination given under clause 13.1 is deemed to be received under this agreement; or
    - ii. has not, in the Department's reasonable opinion, been expended by Norfolk Island in accordance with the terms and conditions of this agreement,

and all such Funds will be regarded as a debt due to the Department capable of being recovered as such in any court of competent jurisdiction.

- 13.5. The Department's liability to pay any compensation under or in relation to this clause 13 is subject to:

- a. Norfolk Island's strict compliance with this clause 13; and
- b. Norfolk Island's substantiation of any amount claimed under clause 13.2.b.

- 13.6. The Department will not be liable to pay compensation for loss of any benefits that would have been conferred on Norfolk Island had the termination or reduction not occurred.

#### 14. Termination for Default

- 14.1. If Norfolk Island fails to fulfil or is in breach of any of its obligations under this agreement, the dispute resolution provision under clause 20 has been undertaken but fails to reach a successful outcome, and Norfolk Island does not rectify the



omission or breach within 10 Business Days of receiving a notice in writing from the Department to do so, the Department may immediately terminate this agreement by giving written notice to Norfolk Island.

- 14.2. Where the Department terminates this agreement under clause 14.1, the Department:
- a. will not be obliged to pay Norfolk Island any outstanding amount of the Funds; and
  - b. will be entitled to recover from Norfolk Island any part of the Funds which:
    - i. has not been legally committed for expenditure by Norfolk Island in accordance with this agreement and is not immediately payable by Norfolk Island (written evidence of which will be required) by the date the notice of termination given under clause 14.1 is deemed to be received under this agreement; or
    - ii. has not, in the Department's reasonable opinion, been expended by Norfolk Island in accordance with the terms and conditions of this agreement.

- 14.3. If Norfolk Island does not repay the Department the amount referred to in clause 14.2.b within 10 Business Days of receipt of the notice of termination, Norfolk Island must also pay the Department Interest on the outstanding amount (which Norfolk Island acknowledges represents a reasonable pre-estimate of the loss incurred by the Department as a result of the loss of investment opportunity for, or the reasonable cost of borrowing other money in place of, the amount which should have been repaid). The amount set out in the notice and Interest owed under this clause will be recoverable by the Department as a debt due to the Department by Norfolk Island.

- 14.4. Notwithstanding any other provision in this agreement, any amount referred to in Clause 14.3 may be recovered by direction of the Department to the banking institution to transfer those funds from the account established for the purposes of clause 4.3 to an account nominated in writing by the Department.

- 14.5. Clause 14.2 does not limit or exclude any of the Department's other rights, including the right to recover any other amounts from Norfolk Island on termination of this agreement.

## 15. Compliance with Laws

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- 15.1. Norfolk Island must, in carrying out its obligations under this agreement, comply with the provisions of all relevant statutes, regulations, by-laws, including the *Norfolk Island Act 1979*, the *Public Monies Act 1979* (NI) and the Commonwealth Finance Minister's (Norfolk Island) Orders 2011.

## 16. Entire Agreement, Variation and Severance

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- 16.1. This agreement records the entire agreement between Norfolk Island and the Department in relation to its subject matter.

- 16.2. Except for action the Department is expressly authorised to take elsewhere in this agreement, no variation of this agreement is binding unless it is agreed in writing and signed by Norfolk Island and the Department.
- 16.3. If a court or tribunal says any provision of this agreement has no effect or interprets a provision to reduce an obligation or right, this does not invalidate any other provision.

#### 17. Waiver

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- 17.1. If either Norfolk Island or the Department do not exercise (or delay in exercising) any of their respective rights, that failure or delay does not operate as a waiver of those rights.
- 17.2. A single or partial exercise by Norfolk Island or the Department of any respective rights does not prevent the further exercise of any right.
- 17.3. Waiver of any provision of, or right under, this agreement:
- a. must be in writing signed by the party entitled to the benefit of that provision or right; and
  - b. is effective only to the extent set out in the written waiver.
- 17.4. In this clause 17, "rights" means rights or remedies provided by this agreement or at law.

#### 18. Assignment

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- 18.1. Norfolk Island must not assign its rights under this agreement without prior written approval from the Department.

#### 19. Survival

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- 19.1. Unless the contrary intention appears, the expiry of the Term or earlier termination of this agreement will not affect the continued operation of any provision relating to:
- a. management of the Funding;
  - b. maintaining Records;
  - c. Reporting and auditing;
  - d. an indemnity;
  - e. dispute resolution; or
  - f. any other provision which expressly or by implication from its nature is intended to continue.

## 20. Dispute Resolution

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- 20.1. Both Norfolk Island and the Department agree not to commence any legal proceedings in respect of any dispute arising under this agreement until the procedure provided by this clause has been utilised.
- 20.2. Both Norfolk Island and the Department agree that any dispute arising during the course of this agreement will be dealt with as follows:
- a. the party claiming that there is a dispute will send the other a written notice setting out the nature of the dispute;
  - b. the parties will try to resolve the dispute by referring the matter(s) to the Chief Executive Officer of the Administration of Norfolk Island and the Secretary of the Department, or his or her delegate (the First Assistant Secretary of the Local Government, Territories and Regional Programs Division or other senior officer) who will undertake negotiations in order to resolve the dispute;
  - c. failing resolution by these officers, the dispute will then be referred to the Norfolk Island Chief Minister and the Minister will articulate the final outcome; and
  - d. Should Norfolk Island not agree with the Minister's final position, Norfolk Island will determine the next step.

## 21. Applicable Law and Jurisdiction

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- 21.1. The laws of the Australian Capital Territory apply to this agreement.
- 21.2. Both Norfolk Island and the Department agree to submit to the non-exclusive jurisdiction of the courts of the Australian Capital Territory in respect of any dispute under this agreement.

## 22. Notices

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- 22.1. A party giving notice or notifying under this agreement must do so simultaneously both in writing or by Electronic Communication (by email):
- a. directed to the Liaison Officer's address, as varied by any notice; and
  - b. hand delivered or sent by pre-paid post or Electronic Communication to that address.
- 22.2. The address details for each of the parties' Liaison Officers are as specified in the Schedule.
- 22.3. A notice given in accordance with clause 22.1 is taken to be received:
- a. if hand delivered, on delivery;
  - b. if sent by pre-paid post, 5 Business Days after the date of posting unless it has been received earlier;



- c. if sent by Electronic Communication, at the time that would be the time of receipt under the Electronic Transactions Act 1999 (Cth) if a notice was being given under a law of the Commonwealth.

Released under FOI Act by DITRDCA

**SCHEDULE 1.****1. Specified Purposes**

- 1.1. The Funds must be used solely for the purpose of enabling Norfolk Island to continue to provide essential government services (such as health, education, utilities, police and public service salaries) for which it has responsibility and are conditional on the delivery of specific outcomes identified at Schedule 2.
- 1.2. The Commonwealth and Norfolk Island will work collaboratively through the required legislative and regulatory changes to ensure the smooth introduction of the reforms outlined in the Schedules of this agreement.

**2. Funding and Payment**

- 2.1. The total Funding for the Specified Purposes is a maximum of \$4.4 million (including GST).
- 2.2. Subject to compliance with the relevant milestones identified Schedule 2 the Funding will be made available for the Specified Purposes as follows:

June 2013 Payment on signing	July- September- 2013	October-December 2013	January-March 2014	April-June 2014
400,000	1,000,000	1,000,000	1,000,000	1,000,000

with the first payment on signing of the agreement by both parties to be made in July 2013.

- 2.3. On each occasion when the Funding is disbursed from the account established under this agreement for the purposes of the management of the Funding, Norfolk Island must:
- nominate which of the Specified Purposes the disbursement is being applied to;
  - the amount being applied to the Specified Purpose;
  - the purpose within the Specified Purpose for which the amount is being disbursed; and
  - provide all supporting information or other documentation to substantiate the above, with invoices to be available on request.
- 2.4. The Department will make payments of the Funds in accordance with the Table above within 10 business days after receiving and upon acceptance of the reports from Norfolk Island as outlined in clause 3.2 below, informed by written advice from the Administrator and the CFO confirming whether a milestone or relevant outcome has or has not been met, prior to the release of funds.
- 2.5. Any variations sought by Norfolk Island to the approved funding instalments within the total Funding amount must be approved in writing by the Department's Delegate the First Assistant Secretary of the Local Government, Territories and Regional Programs Division.
- 2.6. The Department will make any payments of Funds required to give effect to approved variations to the Funding within 10 Business days of the required Commonwealth approval being given, informed by written advice from the Administrator and the CFO confirming whether a milestone has or has not been met, prior to the release of funds.

### 3. Reports

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- 3.1. Norfolk Island must provide monthly Reports to the Department, Administrator and the CFO at the end of each month in respect of which Funds have been provided. The Reports must be submitted no later than 20 Business Days following the end of the relevant month, in an agreed format and must contain the following information:
- a. certification by the Chief Executive Officer that the Funds have been spent on the Specified Purposes in accordance with this agreement; and
  - b. Progress against the milestones outlined at Schedule 2 including documented evidence.
- 3.2. Norfolk Island must provide to the Department, Administrator and the CFO the following monthly Reports:
- a. A trial balance for the previous calendar month for the Revenue Fund forming part of the Public Account of Norfolk Island;
  - b. A 12 month forward estimate cash flow analysis for the Revenue Fund forming part of the Public Account of Norfolk Island; and
  - c. A reconciliation of the Trust Fund Account, including details of amounts drawn down from the Trust Account and the disbursement of funds into the Specified Purposes, detailing the purpose and period covered for each listed expenditure item, i.e. payment to the New South Wales education department contract.
- 3.3. Norfolk Island must advise the Department, Administrator and the CFO immediately if it becomes aware of any material departures from the budget and cash flows for the Revenue Fund and any non-Revenue Fund entity. For example, any capital associated with replacement of essential services including in relation to: energy; water; and telecom.
- 3.4. The Department's obligation to pay Funding to Norfolk Island under this agreement is conditional upon written advice from the Administrator and the CFO to the Department that the relevant milestones have been met. The Department will make the payments within 10 business days after receiving the reports from Norfolk Island.
- 3.5. The final Report must be provided to the Department no later than 5 months following the end of the Term and must provide the information specified in clause 7, *Reporting*.

### 4. Liaison Officers

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- 4.1. The Department's Liaison Officer details are as follows:

**s47F**

Commonwealth Financial Officer  
New Military Barracks  
Kingston  
PO Box 201  
NORFOLK ISLAND 2899

Telephone: **s47F**  
Email:

4.2. Norfolk Island's Liaison Officer details are as follows:

**s47F**

Acting Chief Executive Officer  
Administration of Norfolk Island  
Old Military Barracks  
Kingston  
NORFOLK ISLAND 2899

Telephone:

Fax:

Email:

**s47F**

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## SCHEDULE 2. SPECIFIED IMPROVEMENTS

1. **Outcomes of the funding agreement:**
  - 1.1. The Commonwealth and the Norfolk Island are committed to a range of initiatives aimed at strengthening Norfolk Island's economic diversity, social cohesion and resilience as well as reducing the reliance on the Commonwealth. Through delivering a balanced budget, while driving reforms on Norfolk Island, initiatives in this funding agreement build on past funding agreements and focus on:
    - Opening the economy to further competition and productivity improvements;
    - Continued micro economic reforms;
    - Building Norfolk Island information capacity and capability; and
    - More robust financial and asset management including responding to the recommendations of the ANAO reports.
2. **Specific outputs that will be achieved in 2013-14 include:**
  - 2.1. The Commonwealth involvement in the appointment processes relating to the CEO and hospital director.
  - 2.2. Enhanced financial management practice through further ANAO reviews of financial statements and a performance audit, as well as adoption of previous ANAO recommendation including:
    - Implementation of a range of recommendations of the ANAO including the establishment of a Risk and Audit committee;
    - Analysis of the current management of the GST, with a view to identifying areas for improvement; and
    - Development of an infrastructure plan and capital management plan.
  - 2.3. Development and implementation of a Household Income and Expenditure survey which builds the basis of further analysis of taxation and social security reform options.
  - 2.4. Development and implementation of a Business Income and Expenditure survey which builds the basis of further analysis of taxation revenue and expenditure reform options.
  - 2.5. Implementation of the property tax (municipal rates).
  - 2.6. Accreditation of the Norfolk Island hospital.
  - 2.7. Continue to work with the Department to scope and deliver a GBE divestment program and any major infrastructure.
  - 2.8. Review of the Public Service Act, regulations and human resources manual to ensure that the framework of public service management are operating efficiently.
  - 2.9. Provide analysis of Norfolk Island public sector staffing level, with a view to identifying skill needs.
  - 2.10. Provisions of relevant health and other statistics and data.
  - 2.11. Finalisation of the Norfolk Island Tourism Strategy.
  - 2.12. Development of a groundwater strategy including steps to further prevent the contamination of the water supply.

- 2.13. Norfolk Island to give consideration to future budget provision for costs fully or partially borne by the Commonwealth, eg. underwriting of the airline contract, services relating to policing and ombudsman, and Administrative Appeals Tribunal (AAT) appeals.
3. **General conditions:** (The purpose of these general conditions is that they apply across the period of the agreement. A breach of the general conditions is a breach of the agreement.)
4. Funding for Norfolk Island will be paid on delivery against specified milestones and in accordance with clause 2.2 of Schedule 1 and consistent with the general conditions and clauses 13 to 18 of this Schedule.
5. Where multiple milestones are due to be met within the specified period and only partial performance is achieved, the Department's Delegate has the discretion to make partial payments at a proportion determined at its discretion by the Commonwealth. All milestones must be met within a timeframe that enables the intent of the agreement to be realised. If evidence is produced that a milestone is achieved at a later date, the Department's Delegate may decide whether the remaining portion will or will not be paid.
6. Norfolk Island must not enter into any new arrangement under which public money is payable or may become payable, over \$50,000, unless the Department's Delegate the First Assistant Secretary, Local Government, Territories and Regional Programs Division agrees in writing, informed by prior advice from the Administrator and CFO.
7. Where the Norfolk Island Government intends to make an ex-gratia payment, sell or lease assets or rights below market value and reduce levies or fees for individuals it must develop a business case and obtain agreement by the CFO as part of the decision making process. The foregoing does not apply to exemptions from duties or levies pursuant to statutory discretions in regard to exemptions under the *Customs Act 1913* or under the hardship provisions relating to Healthcare or Absentee Landowners Levies. Any exceptions made will be recorded and reported in the regular reports to the Commonwealth.
8. Any milestone achieved through this current, or any previous, Funding Agreements with the Commonwealth must not be altered unless agreed to in writing by the Commonwealth. Any agreed variation shall be deemed to be a variation to the current or previous Funding Agreement to the extent of that variation.
9. Norfolk Island will not develop policies or procedures that will disadvantage or impede Australian citizens wishing to reside on Norfolk Island.
10. Norfolk Island will continue to actively promote the *Immigration Act 1980*, highlighting changes to immigration through newsletters and promotional materials in Australia and New Zealand.
11. The Government of Norfolk Island agrees to contain staff budgets to current numbers and funding and that it will implement a process to find efficiencies in the number of staff across the financial year 2013/14. Any new appointments are subject to a business case and any new appointments will be the subject of an open, merit based process. No new staff will be engaged in unfunded positions unless there is Commonwealth approval.
12. Norfolk Island will prepare budget estimates for the 2013-14 financial year in accordance with the CFM Orders for approval by the Department and must ensure:
- a. the contributions to the Kingston and Arthur's Vale Historic Area to remain at \$300,000;



- b. the Education budget will be benchmarked against equivalent services in New South Wales to identify appropriate service levels, against specific staffing levels, to ensure benchmarks are not eroded or where greater than NSW standards, appropriate savings measures can be applied. A suitable benchmark community i.e. a small rural based community of similar size and population, will be identified and agreed between the parties;
  - c. the Norfolk Island Hospital Enterprise budget will be benchmarked against equivalent services in New South Wales or the Indian Ocean Territories to identify appropriate service levels, against specific staffing levels, to ensure benchmarks are not eroded or where greater than NSW standards, appropriate savings measures can be applied; and
  - d. Norfolk Island's contribution to Police budget will not be subject to significant budget cuts unless agreed to by the Department.
- 13. Norfolk Island will fully cooperate and facilitate access to appropriate organisations, as relevant, to assist the Commonwealth in delivering the \$1million enhanced governance and social package of measures, as announced by Minister King on 14 May 2013.
- 14. Provide monthly reports to the Administrator and the CFO on Norfolk Island's 2013-14 budget outcomes including providing an end of year budget forecast to identify the financial position of the Norfolk Island Government. These will be provided 2 weeks after month end. Where there are any significant reductions in revenue or upwards adjustment in outlays identified, the Department and the Administration of Norfolk Island will consult on appropriate remediation measures;
- 15. Provide quarterly reports to the Administrator and the CFO on:
  - 15.1. health statistics, as collected for the Advisory Board of the Norfolk Island Hospital Enterprise;
  - 15.2. Norfolk Island's staffing levels and attrition rates (including all employees regardless of employment status), and the total number of consultancies engaged and the total amount paid to each consultant;
  - 15.3. progress against the sustainable growth strategy and include migration, business and tourism statistics - including the number of visitors, length of stay, how many people have applied for residency status, how many were approved how many refused, and the time period between application and finalising processing; and
  - 15.4. details on how many Australian and New Zealand citizens have transferred to residency status and taken up residency status on Norfolk Island, and how many new businesses have been established since the last quarter. How many have applied and how many were successful. How many were refused and how long did it take between application and finalising processing.

### Implementation of Deliverables (the Milestones)

16. For the First Quarter (covering July to September 2013), Norfolk Island will:

#### Appointment Processes

- 16.1. The Advisory Board of the Norfolk Island Hospital Enterprise will provide the selection panel for the recruitment of the Director of the Norfolk Island Hospital Enterprise for the purposes of fulfilling the position prior to the current acting Director leaving the position. The panel must include representatives from each of the Commonwealth and the South Eastern Sydney Local Health District.
- 16.2. The Norfolk Island Government will include a Departmental representative (the CFO) on the selection panel for the recruitment for the Chief Executive Officer (CEO) of the Administration of Norfolk Island.

#### Government Business Enterprises (GBEs)

- 16.3. Continue to work with the Department to scope and deliver a GBE divestment program and any major infrastructure eg. Cascade Pier development.
- 16.3.1. Norfolk Island will develop appropriate request for tender documentation for the renewal of the fuel supply contract, with assistance from the Department, where appropriate.
- 16.3.2. Norfolk Island will consult with the Department regarding appropriate lease standards for the bulk gas storage facility.
- 16.3.3. Norfolk Island will develop and implement the current selective tender process for the replacement of the Norfolk Telecom PSTN switch, with assistance from the Department, where relevant. The Department shall participate in the tender selection panel.

#### Household survey

- 16.4. Design a Household Income and Expenditure survey aimed at providing base information to be used by the Department and Norfolk Island in possibly further advancing reforms. The Department will assist Norfolk Island through provision of in-kind support.

#### Business survey

- 16.5. Design a Business Income and Expenditure survey which builds the basis of further analysis of taxation revenue and expenditure reform options. The Department will assist the Norfolk Island through provision of in-kind support.

#### Norfolk Island - Administration and Public Service

- 16.6. Provide information to the Commonwealth on examples of how the new Public Sector Values are being adopted, together with a competency and training program being initiated to provide staff with appropriate skills. Schedules outlining implementation steps for the adoption of public sector values and setting out the training program, will also need to be delivered.
- 16.7. Continue to ensure the Public Service Act aligns with the appropriate Public Service benchmarks, including regulations and human resources manual to ensure that the framework of public service management and the principles of open recruitment and contemporary performance management are operating efficiently.

### Recommendations of the ANAO

- 16.8. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation A.1 that Norfolk Island implement actions and processes to address the following:
- a. A system of internal controls are in place to ensure that all revenue due to the Government of Norfolk Island from GST receipts is received;
  - b. All GST returns are submitted on a timely basis and correctly and accurately reflect the actual transactions and revenue; enforcement of the proper maintenance of GST related records; Implement improved enforcement mechanisms and the data matching program; and
  - c. Ensure fines are issued as a deterrent where non-compliances are found.
- 16.9. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation B.2 that Norfolk Island develops the following:
- a. A formal asset stocktake process, which addresses the risk of existence and ownership of assets; and
  - b. A monthly asset management reporting process, identifying new or disposed assets on a timely basis.
- 16.10. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation B.1 that Norfolk Island formalise key internal control and governance procedures including:
- a. Resourcing the Internal Audit position;
  - b. Establish an Audit Committee to review governance, risk management and the financial statement preparation process, and has convened within the first quarter of 2013/14.
  - c. Formalise policies and procedure documents in the following key areas:
    - Fraud and risk management;
    - Related party and conflict of interest declarations;
    - Financial delegations;
    - Key financial and accounting processes, including adequate segregation of duties; and
    - IT general and application control environment (including security, user access and change management).
- 16.11. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation L.1 that Norfolk Island identify the relevant level for which appropriation limits should be monitored, whether at the total appropriation level set by the Appropriation Act, at the performance cost centre level, or at the expenditure category line item level contained in the Schedule to the Act. Spending against the identified appropriation levels to be actively managed and monitored to eliminate overspends.

### Land Valuation

- 16.12. Noting the Land Valuation Bill has not yet been assented to, Norfolk Island will engage a consultant, within 3 months of assent, to undertake valuations.

### Airline Underwriting



- 16.13. Norfolk Island will commence development of an options paper and strategies as to how Norfolk Island can make provision in its budget in future years to cover the full cost of future airline underwriting and /or co-contributions in the short term.

#### Administration – Strategies and Processes

- 16.14. Finalise the Norfolk Island Tourism strategy.
- 16.15. Norfolk Island will create and maintain a list of all obsolete fixed assets of Norfolk Island and Territory Authorities. Undertake and finalise a tender process for the sale of the obsolete fixed assets, consistent with the CEIs.
- 16.16. Norfolk Island will provide the Department with updates of the sustainable growth strategy (people, economy and environment) that does not restrict the movement of Australians to Norfolk Island.
- 16.17. Provide a Norfolk Island Government position paper regarding the introduction of community title legislation in Norfolk Island.
17. For the Second Quarter (covering October to December 2013), Norfolk Island will:
- 17.1. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation B.2 that the Norfolk Island Hospital Enterprise formalise the trustee and guideline arrangements to ensure that there are defined roles and responsibilities around governance, accountability, management, investing and reporting arrangements associated with the Hospital's superannuation scheme.
- 17.2. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation B.3 that Norfolk Island ensure compliance with the requirements of AASB 118 – Revenue and AASB 1004: Contributions. Key areas of focus should:
- a. Implement controls for all receipts received under AASB1004; and
  - b. Adopt accrual recognition practices for all goods and services revenue streams.
- 17.3. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation B.4 that Norfolk Island develop a process to regularly review the access granted within their FMIS, to ensure roles and responsibilities are continually defined and that the risk associated with segregation of duties and management override of controls is appropriately mitigated and addressed.
- 17.3.1. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation by Norfolk Island in relation to credit card management (C.5).
- 17.4. Within 6 months of assent of the legislation, the *Land Valuation Bill 2012*, Norfolk Island will have developed a strategy for the implementation of a property tax (municipal rates) which includes:
- a. An annual revenue target of \$1 million after a phasing in period;
  - b. An agreed tax base (e.g. land, land & buildings, or business land, improved or unimproved value);
  - c. Discount policy and formula;
  - d. Legal and administrative design; and

- e. Implementation plan for commencement of property taxes (municipal rates) from 1 July 2014.

18. For the **Third Quarter (covering January to March 2014)**, Norfolk Island will:
  - 18.1. Develop a Norfolk Island Infrastructure Strategy and Capital Management Plan which include a prioritised list of infrastructure needs, costing and outline of a funding model. The strategy must also include repair, maintenance, replacement and depreciation schedules for the next 10 years.
  - 18.2. Complete the options paper outlining strategies for Norfolk Island Administration making provision for the full cost of future airline underwriting and co-contributions in the short term as might be required.
  - 18.3. Provide the Department with a draft bill regarding the introduction into Norfolk Island of community title land tenure.
  - 18.4. Norfolk Island shall, with Commonwealth collaboration, develop strategies regarding the issues arising from excess photovoltaic electricity generation.
  - 18.5. Develop a groundwater strategy that will prevent further contamination of groundwater including specific measures such as preventing roaming of cattle near water sources on Commonwealth land within the KAVHA Boundary (implementation of the recommendations from the URS Report on the use of fencing and water troughs); and working with landholders to ensure no further of deterioration of septic tanks and enhanced maintenance of Burnt Pines sewerage works.
19. For the **Fourth Quarter (covering April to June 2014)**, Norfolk Island will:
  - 19.1. Provide evidence to the Department that Norfolk Island Hospital Enterprise has substantially achieved (i.e. greater than 50 per cent) the 15 mandatory criteria of Australian hospital accreditation as outlined in Schedule 2 (6(a) ii) of the 2012-13 Funding Agreement.
  - 19.2. Provide evidence to the Department to demonstrate implementation of ANAO Recommendation C.3 that Norfolk Island improves the management and maintenance of the current contract register to ensure:
    - a. All contractual arrangements within the Administration of Norfolk Island are recorded on a central register;
    - b. Contracting arrangements are open to the public including publication of the central register; and
    - c. The Administration of Norfolk Island's contract register is continually updated to reflect current financial circumstances, particularly around the outstanding contractual value, and the start and end date of each contract.
  - 19.3. Amend the Norfolk Island *Immigration Act 1980* to remove s28A (3) sunset clause for New Zealand citizens.

#### Household survey

- 19.4. Undertake a Household Income and Expenditure survey during this quarter. The results of the survey are to be provided to the Commonwealth in full.

**Business survey**

- 19.5. Undertake a Business Income and Expenditure survey during this quarter. The results of the survey are to be provided to the Commonwealth in full.

**Updated Property Tax (Municipal Rates)**

- 19.6. Provide the Department with an updated property tax (municipal rates) implementation strategy having regard to the results of the Household and Business surveys.

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THIS AGREEMENT is made on the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

#### EXECUTION CLAUSES

Executed by the parties.

**SIGNED** for and on behalf of the  
**COMMONWEALTH OF AUSTRALIA** by the

First Assistant Secretary, Local Government,  
Territories, and Regional Programs Division, the  
Department of Regional Australia, Local  
Government, Arts and Sport,

\_\_\_\_\_  
*Sign here*

in the presence of:

\_\_\_\_\_  
*Name of witness*

\_\_\_\_\_  
*Witness sign here*

**SIGNED** for and on behalf of the  
**ADMINISTRATION OF NORFOLK ISLAND**

by the Acting Chief Executive Officer  
Administration of Norfolk Island

\_\_\_\_\_  
*Sign here*

in the presence of:

\_\_\_\_\_  
*Name of witness*

\_\_\_\_\_  
*Witness sign here*

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**Australian Government**

**Department of Infrastructure and Regional Development**

**DEED OF AGREEMENT**

**FUNDING AGREEMENT FOR 2014/15 NORFOLK ISLAND TERRITORY FUNDING**

The Commonwealth of Australia as represented by the Department of Infrastructure  
and Regional Development  
[ABN 86 267 354 017]

ADMINISTRATION OF NORFOLK ISLAND  
[ABN 37 862 725 624]



## CONTENTS

<b>1.</b>	<b>Interpretation</b>	<b>1</b>
1.1.	Definitions	1
1.2.	Interpretation	6
1.3.	Guidance on construction of Agreement	7
1.4.	Duration of Term	7
<b>2.</b>	<b>Activity</b>	<b>7</b>
2.1.	Conduct of Activity	7
2.2.	Liaison and monitoring	8
2.3.	Subcontractors	8
2.4.	Responsibility of the Recipient	9
2.5.	Reports	9
<b>3.</b>	<b>Funding</b>	<b>9</b>
3.1.	Payment of Funding	9
3.2.	Commonwealth's right to suspend payment or reduce the amount of Funding	10
<b>4.</b>	<b>Taxes, duties and government charges</b>	<b>11</b>
<b>5.</b>	<b>Debt and Interest</b>	<b>11</b>
<b>6.</b>	<b>Management of Funding</b>	<b>11</b>
6.1.	Account and financial records	11
6.2.	Use as security	12
6.3.	Refunds of unexpended and misspent Funds	12
<b>7.</b>	<b>Cost Savings</b>	<b>12</b>
7.1.	Cost Savings	12
<b>8.</b>	<b>Assets</b>	<b>13</b>
8.1.	Acquisition of Asset	13
<b>9.</b>	<b>Records</b>	<b>13</b>
9.1.	Keeping Records	13
9.2.	Retention of Records	13
<b>10.</b>	<b>Intellectual Property</b>	<b>14</b>
10.1.	Use of Commonwealth Material	14
10.2.	Rights in Activity Material	14
10.3.	Moral Rights	14
<b>11.</b>	<b>Confidential Information</b>	<b>15</b>
11.1.	Confidential Information not to be disclosed	15
11.2.	Written Undertakings	15
11.3.	Exceptions to Obligations	16

11.4.	Period of Confidentiality	16
11.5.	No reduction in Privacy Obligations	16
<b>12.</b>	<b>Acknowledgement and publicity</b>	<b>17</b>
12.1.	Acknowledgement of support	17
12.2.	Right to publicise Funding	17
12.3.	No restriction on advocacy activities	17
<b>13.</b>	<b>Liability</b>	<b>17</b>
13.1.	Proportionate liability regime	17
13.2.	Indemnity	17
13.3.	Meaning of 'fault'	18
<b>14.</b>	<b>Dispute resolution</b>	<b>18</b>
14.1.	Procedure for dispute resolution	18
14.2.	Costs	19
14.3.	Continued performance	19
14.4.	Application of clause	19
<b>15.</b>	<b>Termination or reduction in scope of Agreement</b>	<b>19</b>
15.1.	Termination for convenience	19
15.2.	Termination for fault	20
15.3.	Preservation of other rights	22
<b>16.</b>	<b>Notices</b>	<b>22</b>
16.1.	Format, addressing and delivery	22
16.2.	When received	22
<b>17.</b>	<b>Appointment of subcontractors</b>	<b>23</b>
<b>18.</b>	<b>Work Health and Safety</b>	<b>23</b>
18.1.	Use of Commonwealth's premises	23
18.2.	Assistance to the Commonwealth	23
<b>19.</b>	<b>General Provisions</b>	<b>24</b>
19.1.	Obligations of Recipient in relation to privacy	24
19.2.	Audit and Access	24
19.3.	Access to Documents	24
19.4.	Insurance	25
19.5.	Extension of provisions to subcontractors and Personnel	25
19.6.	Conflict of interest	26
19.7.	Relationship of parties	26
19.8.	Waiver	26
19.9.	Variation of Agreement	26
19.10.	Assignment	27
19.11.	Survival	27

19.12.	Compliance with Legislation and Policies	27
19.13.	Applicable law and jurisdiction	28
	<b>SCHEDULE 1 PARTICULARS– EMERGENCY ASSISTANCE FUNDING 2014/15</b>	<b>30</b>
	A. Activity	30
	B. Funding and Payment	30
	C. General Conditions	31
	D. Budget	31
	E. Recipient Contributions and Other Contributions	32
	F. Reporting	33
	G. Milestones and associated reporting period	35
	<b>SCHEDULE 2 PARTICULARS – NORFOLK ISLAND WORLD HERITAGE CONVICT SITE (KINGSTON AND ARTHUR'S VALE HISTORIC AREA)</b>	<b>38</b>
	A. Activity	38
	B. Funding and Payment	38
	C. General Conditions	38
	D. Use of Funding	39
	E. Recipient Contributions and Other Contributions	39
	F. Reporting	40
	<b>ATTACHMENT 1A – LETTER FROM MINISTER BRIGGS TO CHIEF MINISTER</b>	<b>41</b>
	<b>ATTACHMENT 1B – 2014/15 BUDGET</b>	<b>44</b>
	<b>ATTACHMENT 1C – TABLE MAPPING REPORTING PERIODS, MILESTONES AND PAYMENTS</b>	<b>50</b>
	<b>ATTACHMENT 2A – LEGISLATIVE CONTEXT COVERING KAVHA</b>	<b>56</b>
	<b>ATTACHMENT 2B – AGREED WORK PROGRAM FOR KAVHA 2014/15</b>	<b>58</b>



## FUNDING AGREEMENT FOR 2014-15 NORFOLK ISLAND TERRITORY FUNDING

### Parties

This Funding Agreement is made between and binds the following parties:

1. **The Commonwealth of Australia** as represented by the Department of Infrastructure and Regional Development  
ABN 86 267 354 017  
111 Alinga Street, Canberra, AUSTRALIAN CAPITAL TERRITORY, 2600  
(**Commonwealth**)
2. **ADMINISTRATION OF NORFOLK ISLAND**, a body politic constituted by s.5 of the *Norfolk Island Act 1979* (Cth) (**Norfolk Island**)  
ABN 37 862 725 624  
New Military Barracks, Quality Row, Kingston, NORFOLK ISLAND 2899  
(**Recipient**)

### Context

- A. The Norfolk Island Government requested Funding from the Commonwealth to provide essential services to the Norfolk Island community for the 2014/15 Financial Year.
- B. The Commonwealth has agreed to support the provision of essential services by providing the Funding to Norfolk Island to be used for the Specified Purposes on the terms and conditions of the Agreement.
- C. The Commonwealth will also provide funding for Kingston and Arthurs Vale Historic Area (KAVHA) a World Heritage Listed site.
- D. The Recipient agrees to accept the Funding for the purposes, and subject to the terms and conditions, set out in this Agreement.

### Operative provisions

In consideration of the mutual promises contained in this Agreement, the parties to this Funding Agreement agree as follows:

#### 1. Interpretation

##### 1.1. Definitions

1.1.1. In this Agreement, unless the context indicates otherwise:

- Activity** means the activity described in Item A in Schedule 1 or Schedule 2 as relevant and includes the provision to the Commonwealth of the Activity Material;
- Activity Material** means any Material:
- a. created by the Recipient for the purpose of this Agreement;
  - b. provided or required to be provided to the Commonwealth under the

Agreement; or

- c. derived at any time from the Material referred to in paragraphs a or b, and includes
- d. any Existing Material incorporated in the Material referred to in paragraphs b or c; and
- e. any Reports;

<b>Activity Objectives</b>	means the objectives of the Activity described in Item A of the relevant Schedule;
<b>Activity Period</b>	means during the Financial Year 2014/15, commencing 1 July 2014 and concluding on 30 June 2015, or when all reporting obligations under the Agreement are met;
<b>Administrator</b>	means the Administrator for Norfolk Island which has the same meaning as in the <i>Norfolk Island Act 1979</i> (Cth)
<b>Agreement</b>	means this document and includes any Schedules and Annexures;
<b>Annexure</b>	means any annexure to a Schedule;
<b>Approved Auditor</b>	means a person who is: <ul style="list-style-type: none"> <li>a. registered as a company auditor under the <i>Corporations Act 2001</i> (Cth) or an appropriately qualified member of the Institute of Chartered Accountants in Australia or of CPA Australia;</li> <li>b. not a principal, member, shareholder, officer, agent, subcontractor, employee or related entity of the Recipient or of a related body corporate (the terms 'related entity' and 'related body corporate' have the same meaning as in section 9 of the <i>Corporations Act 2001</i> (Cth)); and</li> <li>c. not the Recipient's Qualified Accountant;</li> </ul>
<b>Arrangement</b>	has the same meaning as 'arrangement' in clause 49 of the CFM Orders;
<b>Asset</b>	means any item of property, purchased, leased, hired, financed, created or otherwise brought into existence either wholly or in part with use of the Funding, which has a value of over \$5,000 exclusive of GST, but excludes any Intellectual Property Rights;
<b>Auditor-General</b>	means the office established under the <i>Auditor-General Act 1997</i> (Cth) and includes any other entity that may, from time to time, perform the functions of that office;
<b>Australian Accounting Standards</b>	refers to the standards of that name maintained by the Australian Accounting Standards Board created by section 226 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth);
<b>Australian Auditing Standards</b>	refers to the standards made by the Auditing and Assurance Standards Board created by section 227A of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth);
<b>Australian Privacy Principle</b>	has the same meaning as it has in the <i>Privacy Act 1988</i> (Cth);

<b>Budget</b>	means: <ol style="list-style-type: none"> <li>in relation to the Activity described in Schedule 1, the Norfolk Island Budget inserted at Attachment 1B in accordance with Item D of Schedule 1;</li> <li>in relation to the Activity described in Schedule 2, the budget described in Attachment 2B of Schedule 2;</li> </ol>
<b>Business Day (in a place)</b>	means a weekday other than a public holiday in the place specified or, if no place is specified, in the State or Territory specified in clause 19.13;
<b>CFM Orders</b>	means the Commonwealth Finance Minister's (Norfolk Island) Orders 2011 (Cth);
<b>Chief Minister</b>	has the same meaning as in the <i>Norfolk Island Act 1979</i> (Cth)
<b>Commonwealth</b>	where the context permits, includes officers, delegates, employees and agents and successors of the Department;
<b>CFO</b>	means Commonwealth Financial Officer for Norfolk Island as specified in section 51D of the <i>Norfolk Island Act 1979</i> ;
<b>Commonwealth Material</b>	means any Material: <ol style="list-style-type: none"> <li>provided by the Commonwealth to the Recipient for the purposes of this Agreement; or</li> <li>derived at any time from the Material referred to in paragraph a;</li> </ol>
<b>Completion Date</b>	means the day after the Recipient has done all that it is required to do under this Agreement to the satisfaction of the Commonwealth;
<b>Confidential Information</b>	means information that the parties agree in writing after the Date of this Agreement is confidential information for the purposes of this Agreement;
<b>Date of this Agreement</b>	means the date written on the execution page of this Agreement, or if more than one date is written there, then the date on which the Agreement is signed by the last party to do so;
<b>Department</b>	means the Department of Infrastructure and Regional Development and includes the Department's officers, delegates, employees, agents and successors;
<b>Depreciated</b>	means the amount representing the reduction in value of an Asset calculated in accordance with Australian Accounting Standards;
<b>Director</b>	means any of the following: <ol style="list-style-type: none"> <li>a person appointed to the position of a director or alternate director and acting in that capacity for a body corporate within the meaning of the <i>Corporations Act 2001</i> (Cth) regardless of the name given to their position;</li> <li>a member of the committee of an organisation incorporated pursuant to State or Territory laws relating to the incorporation of associations; or</li> <li>a member of the board, committee or group of persons (however described) that is responsible for managing or overseeing the affairs of the body corporate;</li> </ol>



<b>Dispose</b>	means to sell, licence, lease or sublease, or otherwise transfer or give up ownership or the right to occupy or use, or to enter into an agreement to do any of the preceding acts and 'Disposal' means the method of so disposing;
<b>Existing Material</b>	means all Material in existence prior to the Date of this Agreement: <ul style="list-style-type: none"> <li>a. incorporated in;</li> <li>b. supplied with, or as part of; or</li> <li>c. required to be supplied with, or as part of,</li> </ul> the Activity Material;
<b>Financial Year</b>	means each period from 1 July to the following 30 June occurring during the Term, or any part of such a period occurring at the beginning or end of the Term;
<b>Funding</b>	means: <ul style="list-style-type: none"> <li>a. the amount or amounts (in cash or kind) payable by the Commonwealth under this Agreement as specified in the relevant Schedule; and</li> <li>b. any interest earned on the Funding once paid by the Commonwealth to the Recipient;</li> </ul>
<b>GST</b>	has the meaning that it has in the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> ;
<b>Information Officer</b>	means any of the information officers appointed under the <i>Australian Information Commissioner Act 2010 (Cth)</i> when performing privacy functions as defined in that Act;
<b>Intellectual Property</b>	includes: <ul style="list-style-type: none"> <li>a. all copyright (including rights in relation to phonograms and broadcasts);</li> <li>b. all rights in relation to inventions, plant varieties, trademarks (including service marks), designs, circuit layouts; and</li> <li>c. all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields;</li> </ul> but does not include: <ul style="list-style-type: none"> <li>d. Moral Rights;</li> <li>e. the non-proprietary rights of performers; or</li> <li>f. rights in relation to confidential information;</li> </ul>
<b>KAVHA</b>	means Kingston and Arthurs Vale Historic Area;
<b>Material</b>	means anything in relation to which Intellectual Property rights arise;
<b>Milestone</b>	means a milestone or stage of completion of the Activity as specified in the relevant Schedule;
<b>Minister</b>	means the Commonwealth Minister responsible for Territory matters which has the same meaning as 'responsible Commonwealth Minister' in the

	Norfolk Island Act;
<b>Moral Rights</b>	includes the following rights of an author of copyright Material: <ul style="list-style-type: none"> <li>a. the right of attribution of authorship;</li> <li>b. the right of integrity of authorship; and</li> <li>c. the right not to have authorship falsely attributed;</li> </ul>
<b>Norfolk Island</b>	includes, where the context admits, Norfolk Island officers, employees, agents and contractors;
<b>Norfolk Island Act</b>	means the <i>Norfolk Island Act 1979</i> (Cth);
<b>Open Access Licence</b>	means a licence to the public on broad open access terms that allows any member of the public to perform a wide range of acts in respect of the material subject to certain restrictions. An Open Access Licence includes any Australian Government open access licence and any Creative Commons Attribution licence (see <a href="http://creativecommons.org.au/learn-more/licences">http://creativecommons.org.au/learn-more/licences</a> );
<b>Other Contributions</b>	means financial or in-kind resources (with in-kind resources valued at cost other than the Funding or the Recipient Contributions, which are specified in Item E and are to be used by the Recipient to perform the Activity;
<b>Personnel</b>	means: <ul style="list-style-type: none"> <li>a. in relation to the Recipient - any natural person who is an officer, employee, agent, or professional advisor of the Recipient or its subcontractors; and</li> <li>b. in relation to the Commonwealth - any natural person, other than a person referred to in paragraph a, who is an officer, employee, agent or professional advisor of the Commonwealth;</li> </ul>
<b>Privacy Act</b>	refers to the <i>Privacy Act 1988</i> (Cth);
<b>Public Account</b>	means the public account of Norfolk Island established by subsection 47(1) of the <i>Norfolk Island Act 1979</i> (Cth).
<b>Qualified Accountant</b>	means a person who is a member of the Institute of Chartered Accountants in Australia or of CPA Australia;
<b>Recipient</b>	includes, where the context permits, the officers, employees, agents, volunteers and subcontractors, and successors of the Recipient;
<b>Recipient Contributions</b>	means the financial or in-kind resources (with in-kind resources valued at cost, other than the Funding or Other Contributions, and are to be used by the Recipient to perform the Activity;
<b>Records</b>	includes documents, information and data stored by any means and all copies and extracts of the same;
<b>Report</b>	means Activity Material that is provided to the Commonwealth for reporting purposes as stipulated in the relevant Schedule;
<b>Schedule</b>	means a schedule to this Agreement and may include Annexures and incorporate other documents by reference;
<b>Term</b>	refers to the period described in clause 1.4;

<b>Third Party Interest</b>	means any legal or equitable right, interest, power or remedy in favour of any person other than the Commonwealth or the Recipient in connection with the Agreement, including any right of possession, receivership, control or power of sale, and any mortgage, charge, security or other interest;
<b>Trust Fund</b>	means the Trust Fund forming part of the Public Account of Norfolk Island; and
<b>Undepreciated</b>	in relation to the value of an Asset, means the value of the Asset which has not been Depreciated.

## 1.2. Interpretation

### 1.2.1. In this Agreement, unless the contrary intention appears:

- a. words importing a gender include any other gender;
- b. words in the singular include the plural and words in the plural include the singular;
- c. clause headings are for convenient reference only and have no effect in limiting or extending the language of provisions to which they refer;
- d. words importing a person include a partnership and a body whether corporate or otherwise;
- e. a reference to dollars is a reference to Australian dollars;
- f. a reference to any legislation or legislative provision includes any statutory modification, substitution or re-enactment of that legislation or legislative provision;
- g. if any word or phrase is given a defined meaning, any other part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- h. the use of the word "includes" or "including" in relation to a right or obligation of a party, does not limit or restrict the scope of that right or obligation;
- i. a reference to a clause is a reference to a clause in this Agreement;
- j. a reference to an Item is a reference to an Item in the Schedule;
- k. the Schedule and any attachments form part of the Agreement;
- l. if any conflict arises between the terms and conditions contained in the clauses of this Agreement and any part of the Schedule (and attachments if any), the terms and conditions of the clauses prevail; and
- m. if any conflict arises between any part of the Schedule and any part of an attachment, the Schedule prevails.



### 1.3. Guidance on construction of Agreement

- 1.3.1. This Agreement records the entire agreement between the parties in relation to its subject matter.
- 1.3.2. As far as possible all provisions of this Agreement will be construed so as not to be void or otherwise unenforceable.
- 1.3.3. If any clause in this Agreement is void or otherwise unenforceable then that clause will be severed to the extent it is void and unenforceable and the rest of the Agreement remains in force.
- 1.3.4. A provision of this Agreement will not be construed to the disadvantage of a party solely on the basis that it proposed or prepared that provision.

### 1.4. Duration of Term

- 1.4.1. The Term of this Agreement commences on the Date of the Agreement and, unless terminated earlier, it expires on the Completion Date.
- 1.4.2. The Recipient acknowledges that the Milestones are intended to be upheld beyond the life of the current Norfolk Island Parliament. Accordingly, any rescinding of Acts or amendments to regulations that undermine the reforms outlined in Schedules unless agreed by the Commonwealth will form grounds for termination of the Agreement.
- 1.4.3. Clause 1.4.2 does not limit the Commonwealth's rights under clause 15.

## 2. Activity

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### 2.1. Conduct of Activity

- 2.1.1. The Recipient agrees to carry out the Activity:
  - a. to achieve the Activity Objectives;
  - b. to meet the Milestones;
  - c. within the Activity Period;
  - d. in an efficient, effective, economical and ethical manner;
  - e. in accordance with this Agreement; and
  - f. diligently and to a high standard.
- 2.1.2. Where the Commonwealth is satisfied that the Recipient does not have the capacity to adequately:
  - a. manage the Funding; or
  - b. undertake the Activity in accordance with this Agreement,the Commonwealth may by written notice immediately:
  - c. suspend, reduce or cease the release of Funding to the Recipient; and/or

- d. require the Recipient to refund some or all of the Funding to the Commonwealth; or
- e. terminate the Agreement in accordance with the provisions of clause 15.2.

## 2.2. Liaison and monitoring

### 2.2.1. The Recipient agrees to:

- a. liaise with and provide information to the Commonwealth as reasonably notified by the Commonwealth; and
- b. comply with all of the Commonwealth's reasonable requests, directions or monitoring requirements.

### 2.2.2. In relation to conducting a review and final evaluation of the Program, the Recipient agrees to:

- a. provide all reasonable assistance required by the Commonwealth;
- b. respond to all of the Commonwealth's reasonable requests; and
- c. provide any information the Commonwealth reasonably requires.

### 2.2.3. Each of the parties may nominate, from time to time, a person who has authority to receive and sign notices and written communications for each of them under this Agreement and accept any request or direction in relation to the Activity.

## 2.3. Subcontractors

### 2.3.1. The Recipient agrees not to subcontract the performance of any part of the Activity without the Commonwealth's prior written approval.

### 2.3.2. The Recipient must have regard to conditions relating to the CFM Orders, particularly Part 5, when determining that any part of this Activity, including Milestones, are to be undertaken through an Arrangement.

### 2.3.3. The Commonwealth may impose any conditions it considers appropriate when giving its approval under clause 2.3.1.

### 2.3.4. The Recipient agrees to make available to the Commonwealth (if requested) details of all subcontractors engaged in the performance of the Activity.

### 2.3.5. The Recipient acknowledges, and must inform all subcontractors that, the Commonwealth may publicly disclose the names of any subcontractors engaged in the performance of the Activity.

### 2.3.6. The Recipient agrees, in any subcontract placed with a subcontractor, to reserve a right of termination to take account of the Commonwealth's rights of termination under clause 15, and the Recipient agrees, where appropriate, to make use of that right in the event of a termination or revocation by the Commonwealth.

- 2.3.7. The Recipient must not enter into a subcontract under this Agreement with a subcontractor named by the Director of Workplace Gender Equality as an employer currently not complying with the *Workplace Gender Equality Act 2012 (Cth)*.

#### 2.4. Responsibility of the Recipient

- 2.4.1. The Recipient is fully responsible for the performance of the Activity and for ensuring compliance with the requirements of this Agreement, and will not be relieved of that responsibility because of any:
- a. involvement by the Commonwealth in the performance of the Activity;
  - b. subcontracting of the Activity;
  - c. acceptance by the Commonwealth of Specified Personnel; or
  - d. payment of any amount of Funding to the Recipient.

#### 2.5. Reports

- 2.5.1. The Recipient agrees to provide to the Commonwealth written Reports in the manner specified in the Schedules.

### 3. Funding

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#### 3.1. Payment of Funding

- 3.1.1. The Commonwealth agrees to provide the Recipient with the Funding at the times and in the manner specified in Item , subject to:
- a. sufficient funds being available to the Department;
  - b. the Recipient acting, in the Department's opinion, in a reasonable and financially prudent manner, ensuring that it preserves its overall financial position;
  - c. the Recipient, in the Department's opinion, working collaboratively through the required legislative and regulatory changes to ensure the smooth introduction of the reforms outlined as Milestones in the Schedules; and
  - d. compliance by the Recipient with this Agreement.
- 3.1.2. The Commonwealth is not responsible for the provision of additional money to meet any expenditure in excess of the Funding.
- 3.1.3. The Recipient must use the Funds only for the Activity and on the terms and conditions set out in this Agreement
- 3.1.4. During the Term, the Recipient must ensure that:
- a. any changes to the Budget are agreed in advance by the Commonwealth and any new or unbudgeted expenditure is fully offset (with offsets being genuine savings and not deferrals of expenditure or liabilities into future years);

- b. it works with the Commonwealth to implement improvements to Norfolk Island's financial framework, public sector governance and accountability arrangements and remains committed (including publicly) to those reforms;
  - c. it contains staff budgets to current numbers and funding and that it will implement a process to find efficiencies in the number of staff across the financial year 2014/15;
  - d. all new appointments are subject to a business case approved by the Commonwealth, and all new appointments are the subject of an open, merit based process;
  - e. no new staff will be engaged in unfunded positions unless there is prior Commonwealth approval;
  - f. it achieves the the Milestones specified in the Schedule; and
  - g. it continues to work with the Commonwealth in reviewing government services to be delivered on Norfolk Island.
- 3.1.5. In the event that the Recipient does not achieve the Milestones, or make genuine attempts to achieve the Milestones specified in Schedules 1 and 2, clause 14 may be invoked.

### 3.2. **Commonwealth's right to suspend payment or reduce the amount of Funding**

- 3.2.1. Without limiting the Commonwealth's rights, the Commonwealth may suspend any payment in whole or in part until the Recipient has performed its obligations under this Agreement.
- 3.2.2. The Commonwealth may reduce the amount of Funding payable under this Agreement where the Recipient receives or is entitled to receive any other funding from the Commonwealth of Australia or a State, Territory or local government in relation to the Activity or a similar activity. The Recipient agrees to inform the Commonwealth in writing within 20 Business Days of entering into any arrangement (whether contractual or statutory) under which the Recipient is entitled to receive such funding.
- 3.2.3. The Commonwealth may reduce the amount of Funding payable under this Agreement where the Recipient:
- a. owes money to the Commonwealth, or
  - b. has money that the Recipient should have, but has not yet, acquitted under any arrangement with the Commonwealth (whether contractual, statutory or otherwise).
- 3.2.4. Notwithstanding such suspension of any payments or reduction in the amount of the Funding, the Recipient agrees to continue to perform any obligations under this Agreement.



#### **4. Taxes, duties and government charges**

- 4.1.1. Unless otherwise agreed, the Recipient agrees to pay all taxes, duties and government charges imposed or levied in Australia or overseas in connection with the performance of this Agreement.
- 4.1.2. Unless otherwise indicated, any Funding and all other consideration for any supply made under this Agreement is exclusive of any GST imposed on the supply.

#### **5. Debt and Interest**

- 5.1.1. In this clause 5, '**Interest**' means interest calculated at an interest rate equal to the general interest charge rate for a day pursuant to section 8AAD of the *Taxation Administration Act 1953* (Cth), on a daily compounding basis.
- 5.1.2. The Recipient agrees, upon request of the Commonwealth, to pay any amount owed or payable to the Commonwealth or which the Commonwealth is entitled to recover from the Recipient under this Agreement, including if demanded by the Commonwealth any Interest, as a debt due by the Recipient without further proof of the debt by the Commonwealth being necessary. Such payment is without prejudice to any other rights available to the Commonwealth under the Agreement, under statute, at law or in equity.
- 5.1.3. If the Commonwealth notifies the Recipient that an amount is to be refunded or otherwise paid to the Commonwealth and the amount is not refunded or paid within 20 Business Days, or as otherwise notified by the Commonwealth, the Recipient agrees to pay Interest, unless the Commonwealth notifies the Recipient otherwise, on the amount outstanding after the expiry of the date it was due, until the amount is paid in full.
- 5.1.4. In respect to any obligation the Recipient may have under this Agreement to pay the Commonwealth any Interest, the Recipient agrees that the Interest represents a reasonable pre-estimate of the loss incurred by the Commonwealth.

#### **6. Management of Funding**

##### **6.1. Account and financial records**

- 6.1.1. The Recipient agrees to hold the Funding in a way that is transparent and accountable and can easily be reported against for the purposes of reporting as outlined in this Agreement.
- 6.1.2. The Recipient must ensure that Funding that is withdrawn from the bank account must be applied immediately for the purpose for which they are withdrawn and comply with section 8(6) of the *Public Moneys Act 1979* (NI).
- 6.1.3. The Recipient must immediately return any unspent Funds including interest earned on funds, to the Department on termination or expiration of this Agreement which shall be a debt due to the Commonwealth.

- 6.1.4. Unexpended Funds may be recovered by direction of the Department to transfer those Funds to an account nominated in writing by the Department.

**6.2. Use as security**

- 6.2.1. Except with the prior written approval of the Commonwealth, the Recipient agrees not to use any of the following as any form of security for the purpose of obtaining or complying with any form of loan, credit, payment or other interest, or for the preparation of, or in the course of, any litigation:
- a. the Funding;
  - b. this Agreement or any of the Commonwealth's obligations under the Agreement; or
  - c. any Assets or Intellectual Property Rights in Activity Material.

**6.3. Refunds of unexpended and misspent Funds**

- 6.3.1. If at any time during the term of this Agreement (including on the Completion Date):
- a. there remains an amount of Funding that has not been spent or legally committed for expenditure in accordance with the Agreement and the period in which that Funding was expected to be spent or legally committed has passed; or
  - b. an amount of Funding has been spent in contravention of the Agreement, the Commonwealth may (at its discretion and in addition to any other rights it may have) by notice in writing to the Recipient:
    - i. require the Recipient to refund this amount to the Commonwealth within 20 Business Days (or other such period specified in the notice); or
    - ii. reduce any further payments of Funding to the Recipient (if applicable) by an amount up to this amount.
- 6.3.2. If clause 6.3.1.a applies, the Commonwealth may by notice in writing require the Recipient to otherwise deal with this amount in accordance with any conditions that the Commonwealth considers appropriate, including conditions relating to the ongoing use and expenditure by the Recipient of that amount for particular goals or objectives associated with the Activity.
- 6.3.3. The Recipient must immediately notify the Commonwealth in writing if any of the events in clauses 6.3.1.a or 6.3.1.b occurs.
- 6.3.4. This clause survives termination or expiry of the Agreement.

## **7. Cost Savings**

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### **7.1. Cost Savings**

- 7.1.1. Subject to compliance with this Agreement, the Recipient must:
- a. continually identify any costs saving or efficiency measures in each cost centre; and
  - b. in consultation with the CFO, and with approval of the Commonwealth:
    - i. implement those costs saving or efficiency measures;
    - ii. apply the savings to essential services obligations or debt reduction measures in the first instance;
    - iii. if the Recipient wishes to apply the savings to any other cost centre, seek and obtain Commonwealth approval through the CFO;
- 7.1.2. The Commonwealth may elect to reduce its Funding commitment to the Activity up to the amount of those savings.
- 7.1.3. The Recipient must implement an annual 2.5 percent efficiency dividend to be applied to expenditure (unless in the agreed exemption categories: social service benefits, payments for teachers to NSW Department of Education and Communities, payments for policing services to the Australian Federal Police, Stock purchased for resale, custodial costs in Australia, contribution to KAVHA, funding agreement funding and commitments, depreciation ) commencing in 2014-15 and applied perpetually across the out years, using 2013-14 as the base year. These must be genuine savings and not deferrals of expenditure or liabilities into future years.

## **8. Assets**

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### **8.1. Acquisition of Asset**

- 8.1.1. The Recipient agrees not to use the Funding to acquire or create any Asset, without obtaining the Commonwealth's prior written approval. Approval may be given subject to any conditions the Commonwealth may impose.

## **9. Records**

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### **9.1. Keeping Records**

- 9.1.1. The Recipient must create and maintain full and accurate accounts and records of the conduct of the Activity including, without limitation, all:
- a. progress against the Milestones;
  - b. receipt and use of Funding;
  - c. Other Contributions (if any);
  - d. Recipient Contributions (if any); and
  - e. creation, acquisition and Disposal of Assets.

**9.2. Retention of Records**

- 9.2.1. The Recipient agrees to create and maintain records and accounts under clause 9.1.1 and retain them for a period of no less than 7 years after the end of the Term.

**10. Intellectual Property**

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**10.1. Use of Commonwealth Material**

- 10.1.1. The Commonwealth grants a royalty-free, non-exclusive licence for the Recipient to use, reproduce and adapt the Commonwealth Material for the purposes of this Agreement.
- 10.1.2. The Recipient agrees to use the Commonwealth Material strictly in accordance with any conditions or restrictions the Commonwealth may notify to the Recipient.

**10.2. Rights in Activity Material**

- 10.2.1. Subject to this clause 10, Intellectual Property in Activity Material vests or will vest in the Recipient.
- 10.2.2. Clause 10.2.1 does not affect the ownership of Intellectual Property in any Commonwealth Material incorporated into the Activity Material.
- 10.2.3. The Recipient grants to (or will procure for) the Commonwealth a permanent, irrevocable, royalty-free, worldwide, non-exclusive licence (including a right of sublicense) to use, reproduce, exploit, communicate, adapt and distribute the Activity Material for any purpose.
- 10.2.4. The Recipient agrees that the licence granted in clause 10.2.3 includes a right for the Commonwealth to licence the Activity Material to the public under an Open Access Licence.
- 10.2.5. The Recipient agrees, on request by the Commonwealth, to create, sign, execute or otherwise deal with any document necessary or desirable to give effect to this clause 10.
- 10.2.6. The Recipient warrants that:
- a. it is entitled; or
  - b. it will be entitled at the relevant time, to deal with the Intellectual Property in the Activity Material in the manner provided for in this clause 10.

**10.3. Moral Rights**

- 10.3.1. In this clause 10.3:

- Permitted Acts** means any of the following classes or types of acts or omissions:
- a. using, reproducing, adapting or exploiting all or any part of the Activity Material, with or without attribution or authorship;
  - b. supplementing the Activity Material with any other Material;



- c. using the Activity Material in a different context to that originally envisaged; and
- d. releasing the Activity Material to the public under an Open Access Licence;

but does not include false attribution of authorship.

10.3.2. Where the Recipient is a natural person and the author of the Activity Material he or she:

- a. consents to the performance of the Permitted Acts by the Commonwealth or any person claiming under or through the Commonwealth (whether occurring before or after the consent is given); and
- b. acknowledges that their attention has been drawn to the Commonwealth's general policies and practices regarding Moral Rights.

10.3.3. Where clause 10.3.1 does not apply, the Recipient agrees:

- a. to obtain from each author a written consent which extends directly or indirectly to the performance of the Permitted Acts by the Commonwealth or any person claiming under or through the Commonwealth (whether occurring before or after the consent is given) and, upon request, will provide the executed original of any such consent to the Commonwealth; and
- b. to ensure that each author's attention is drawn to the Commonwealth's general policies and practices regarding Moral Rights.

10.3.4. This clause 10.3 does not apply to any Commonwealth Material incorporated in the Activity Material.

## **11. Confidential Information**

### **11.1. Confidential Information not to be disclosed**

11.1.1. Subject to clause 11.2.1, a party must not, without the prior written consent of the other party, disclose any Confidential Information of the other party to a third party.

### **11.2. Written Undertakings**

11.2.1. The Recipient must, on request by the Commonwealth at any time, arrange for:

- a. its Personnel; or
- b. any person with a Third Party Interest,

to give a written undertaking in a form acceptable to the Commonwealth relating to the use and non-disclosure of the Commonwealth's Confidential Information.

**11.3. Exceptions to Obligations**

- 11.3.1. The obligations on the parties under this clause 11.3 will not be taken to have been breached to the extent that Confidential Information:
- a. is disclosed by a party to its Personnel solely in order to comply with obligations, or to exercise rights, under this Agreement;
  - b. is disclosed to a party's internal management Personnel, solely to enable effective management or auditing of Agreement-related activities;
  - c. is disclosed by the Commonwealth to the responsible Minister;
  - d. is disclosed by the Commonwealth, in response to a request by a House or a Committee of the Parliament of the Commonwealth of Australia;
  - e. is shared by the Commonwealth (including other agencies), where this serves the Commonwealth of Australia's legitimate interests;
  - f. is authorised or required by law to be disclosed; or
  - g. is in the public domain otherwise than due to a breach of this clause 11.3.
- 11.3.2. Where a party discloses Confidential Information to another person pursuant to clauses 11.3.1.a - 11.3.1.e, the disclosing party must notify the receiving person that the information is confidential.
- 11.3.3. In the circumstances referred to in clauses 11.3.1.a, 11.3.1.b and 11.3.1.e, the disclosing party agrees not to provide the information unless the receiving person agrees to keep the information confidential (subject to the exceptions in this clause 11.3).
- 11.3.4. The Recipient agrees to secure all of the Commonwealth's Confidential Information against loss and unauthorised access, use, modification or disclosure.

**11.4. Period of Confidentiality**

- 11.4.1. The obligations under this clause 11.4 will continue, notwithstanding the expiry or termination of this Agreement, for the period agreed by the parties in writing in respect of that item, and if no such period is agreed by the parties, in perpetuity.

**11.5. No reduction in Privacy Obligations**

- 11.5.1. This clause 11 does not detract from any of the Recipient's obligations under the Privacy Act or under clause 19.1.

## **12. Acknowledgement and publicity**

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### **12.1. Acknowledgement of support**

- 12.1.1. Unless otherwise notified by the Commonwealth, the Recipient agrees, in all publications, promotional and advertising materials, public announcements and activities by the Recipient or on the Recipient's behalf in relation to the Activity, or any products, processes or inventions developed as a result of it, to acknowledge the financial and other support the Recipient has received from the Australian Government as approved by the Commonwealth prior to its use.
- 12.1.2. Where the Recipient has been provided with Funding to produce any publication, a copy of the publication must, on request, be provided to the Commonwealth.

### **12.2. Right to publicise Funding**

- 12.2.1. The Commonwealth reserves the right to publicise and report on the awarding of Funding to the Recipient. The Commonwealth may do (but is not limited to doing) this by including the Recipient's name, the amount of the Funding given to the Recipient, the date the Agreement commences and its term, and the title, location, purpose and a brief description of the Activity in media releases, general announcements about the Funding, annual reports or through any other means as determined by the Commonwealth.

### **12.3. No restriction on advocacy activities**

- 12.3.1. The Commonwealth confirms that, subject to clause 12.3.2:
  - a. no right or obligation arising under this Agreement should be interpreted as limiting the Recipient's ability to enter into public debate or criticism of the Commonwealth of Australia or its agencies, employees, servants or agents;
  - b. the Commonwealth does not require the Recipient to obtain advance approval of any involvement by the Recipient in public debate or advocacy activities.
- 12.3.2. Nothing in this clause 12.3 limits or derogates from the Recipient's obligations under clauses 11 and 19.1.

## **13. Liability**

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### **13.1. Proportionate liability regime**

- 13.1.1. To the extent permitted by law, the operation of any legislative proportionate liability regime is excluded in relation to any claim against the Recipient under or in connection with this Agreement.

### **13.2. Indemnity**

- 13.2.1. The Recipient indemnifies the Commonwealth from and against any:
  - a. cost or liability incurred by the Commonwealth;

- b. loss of or damage to property of the Commonwealth; or
  - c. loss or expense incurred by the Commonwealth in dealing with any claim against it, including legal costs and expenses on a solicitor/own client basis and the cost of time spent, resources used, or disbursements paid by the Commonwealth,  
arising from:
    - d. any breach by the Recipient of the Agreement;
    - e. any act or omission involving fault by the Recipient in connection with this Agreement;
    - f. the use of Assets; or
    - g. the use by the Commonwealth of the Activity Material, including any claims by third parties about the ownership or right to use the Intellectual Property in the Activity Material.
- 13.2.2. The Recipient's liability to indemnify the Commonwealth under clause 13.2.1 will be reduced proportionally to the extent that any act or omission involving fault on the part of the Commonwealth or its Personnel contributed to the relevant cost, liability, loss, damage or expense.
- 13.2.3. The right of the Commonwealth to be indemnified under this clause 13.2 is in addition to, and not exclusive of, any other right, power or remedy provided by law, but the Commonwealth is not entitled to be compensated in excess of the amount of the relevant cost, liability, loss, damage or expense.

### 13.3. Meaning of 'fault'

- 13.3.1. In this clause 13, 'fault' means any negligent or unlawful act or omission or wilful misconduct.

## 14. Dispute resolution

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### 14.1. Procedure for dispute resolution

- 14.1.1. The parties agree that a dispute arising under this Agreement will be dealt with as follows, and that, subject to clause 14.4, neither party will commence legal proceedings in relation to that dispute until this procedure is completed:
- a. the party claiming that there is a dispute will give the other party a notice setting out the nature of the dispute;
  - b. within 5 Business Days (or such other period as agreed by the parties in writing) each party will nominate a representative not having any prior involvement in the dispute;
  - c. the representatives will try to settle the dispute by direct negotiation between them;
  - d. failing settlement within a further 10 Business Days or such other period as agreed by the parties in writing (or failure of one or both parties to nominate a representative within the period set out in clause



14.1.1.b), the parties may agree to refer the dispute to an independent third person with power:

- i. to intervene and direct some form of resolution, in which case the parties will be bound by that resolution; or
- ii. to mediate and recommend some form of non-binding resolution;
- e. the parties will co-operate fully with any process instigated under clause 14.1.1.d in order to achieve a speedy resolution; and
- f. if the parties have been unable to agree to refer the dispute to an independent third person, or they have agreed and a resolution is not reached within a further 20 Business Days (or such other period as the parties) may agree in writing), either party may commence legal proceedings.

#### **14.2. Costs**

- 14.2.1. Each party will bear its own costs of complying with this clause 14 [Dispute resolution], and the parties will bear equally the cost of any third person engaged under clause 14.1.1.d.

#### **14.3. Continued performance**

- 14.3.1. Despite the existence of a dispute, the Recipient will (unless requested in writing by the Commonwealth not to do so) continue to perform the Recipient's obligations under this Agreement.

#### **14.4. Application of clause**

- 14.4.1. This clause 14 does not apply to:
  - a. legal proceedings by either party for urgent interlocutory relief; or
  - b. action by the Commonwealth under or purportedly under clauses 3, 6, 15 and 19.1.

### **15. Termination or reduction in scope of Agreement**

#### **15.1. Termination for convenience**

- 15.1.1. The Commonwealth may by notice, at any time and in its absolute discretion, terminate this Agreement or reduce the scope of the Agreement immediately.
- 15.1.2. The Recipient agrees, on receipt of a notice of termination or reduction, to:
  - a. stop or reduce the performance of the Recipient's obligations as specified in the notice;
  - b. take all available steps to minimise loss resulting from that termination or reduction;
  - c. continue performing any part of the Activity not affected by the notice; and

- d. immediately return to the Commonwealth any Funding in accordance with clause 15.1.5, or deal with any such Funding as directed by the Commonwealth.
- 15.1.3. In the event of termination under clause 15.1.1, the Commonwealth will be liable only:
  - a. to pay Funding due and owing to the Recipient under the payment provisions of the Agreement before the date of the notice of termination; and
  - b. to reimburse any expenses the Recipient unavoidably incurs that relate directly and entirely to the Activity and not covered by clause 15.1.3.a.
- 15.1.4. The Commonwealth will not be liable to pay amounts under 15.1.3.a and 15.1.3.b which would, added to any payments already paid to the Recipient under this Agreement, together exceed the Funding set out in Item B.
- 15.1.5. The Commonwealth will be entitled to recover from the Recipient any part of the Funding which:
  - a. is not legally committed for expenditure by the Recipient in accordance with the Agreement and due and payable by the Recipient by the date that the notice of termination is received; or
  - b. has not, in the Commonwealth's opinion, been spent by the Recipient in accordance with the Agreement.
- 15.1.6. In the event of a reduction in the scope of the Agreement under clause 15.1.1, the Commonwealth's liability to pay any part of the Funding will, unless there is agreement in writing to the contrary, reduce in accordance with the reduction in the Activity.
- 15.1.7. The Commonwealth's liability to pay any compensation under or in relation to this clause 15.1 is subject to:
  - a. the Recipient's compliance with this clause 15.1; and
  - b. the Recipient's substantiation of any amount claimed under clause 15.1.3.b.
- 15.1.8. The Recipient will not be entitled to compensation for loss of prospective profits or loss of any benefits that would have been conferred on the Recipient.

## 15.2. Termination for fault

- 15.2.1. If the Recipient does not comply with any of its obligations under this Agreement, then the Commonwealth:
  - a. *if it considers that the non-compliance is not capable of remedy* - may by notice terminate this Agreement immediately;
  - b. *if it considers that the non-compliance is capable of remedy* - may, by notice require that the non-compliance be remedied within the time

specified in the notice, and if not remedied within that time, may terminate the Agreement immediately by giving a second notice.

15.2.2. The Commonwealth may also by notice terminate this Agreement immediately if:

- a. the Recipient comes under one of the forms of external administration referred to in Chapter 5 of the *Corporations Act 2001* (Cth) or equivalent provisions in legislation of the States and Territories pertaining to incorporated associations or Chapter 11 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth) or has an order made against it for the purpose of placing it under external administration;
- b. the Recipient is unable to pay all its debts as and when they become due and payable or it fails to comply with a statutory demand within the meaning of sections 459E and 459F of the *Corporations Act 2001* (Cth);
- c. proceedings are initiated with a view to obtaining an order for winding up the Recipient, or any shareholder, member or director convenes a meeting for the purpose of considering or passing of any resolution for winding up the Recipient;
- d. in relation to this Agreement, the Recipient breaches any law of the Commonwealth of Australia, or of a State or Territory;
- e. the Recipient becomes bankrupt or enters into a scheme of arrangement with creditors;
- f. another clause of this Agreement allows for termination under this clause 15.2; or
- g. the Commonwealth is satisfied that any statement made in the Recipient's application for Funding is incorrect, incomplete, false or misleading in a way which would have affected the original decision to approve the Funding.

15.2.3. Where the Commonwealth terminates this Agreement under clause 15.2 the Commonwealth:

- a. will be liable only to pay Funding due and owing to the Recipient under the payment provisions of the Agreement before the date of the notice of termination; and
- b. will be entitled to recover from the Recipient any part of the Funding which:
  - i. is not legally committed for expenditure by the Recipient in accordance with the Agreement and payable by the Recipient by the date that the notice of termination is received; or
  - ii. has not, in the Commonwealth's opinion, been spent by the Recipient in accordance with the Agreement.

### 15.3. Preservation of other rights

- 15.3.1. Clause 15.2 does not limit or exclude any of the Commonwealth's other rights under this Agreement.

## 16. Notices

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### 16.1. Format, addressing and delivery

- 16.1.1. A notice under this Agreement is only effective if it is in writing, and addressed as follows:

- a. *if given by the Recipient to the Commonwealth* - addressed to:

**s22(1)(a)(ii)**

Executive Director, Local Government and Territories Division  
Department of Infrastructure and Regional Development  
GPO Box 594  
Canberra ACT 2601

Email: **s22(1)(a)(ii)**  
Phone: **s22(1)(a)(ii)**

Or other recipients/address as notified by the Commonwealth.

- b. *if given by the Commonwealth to the Recipient* –

**s47F**

Chief Executive Officer  
Administration of Norfolk Island  
Kingston NORFOLK ISLAND 2899

Email: **s47F**  
Phone: **s47F**

Or other recipients/address as notified by the Recipient.

- 16.1.2. Any such notice must be delivered to the other party by hand, prepaid post or transmitted electronically (via email or facsimile) and be signed by the sending party. For the avoidance of doubt, an electronic signature on an email will be taken to be a signed notice for the purpose of this clause 16.

### 16.2. When received

- 16.2.1. Subject to clause 16.2.2, a notice is deemed to be received:

- a. *if delivered by hand* - upon delivery to the relevant address;
- b. *if sent by prepaid post* - upon delivery to the relevant address; or
- c. *if transmitted electronically* - upon receipt by the sender of either an electronic receipt notification (generated by the system transmitting the



notice) or an acknowledgement from the other party that it has received the notice (whichever is earlier).

16.2.2. If a notice is received:

- a. after 5.00 pm on any Business Day; or
- b. on a day that is not a Business Day,

it is deemed to be received at 9:00am on the next Business Day for the purposes of this clause 16.

## **17. Appointment of subcontractors**

17.1.1. While acknowledging that value for money is the core principle underpinning decisions on Government procurement, when issuing tenders the Recipient may preference contractors, subcontractors and consultants that have a demonstrated commitment to:

- a. adding and/or retaining trainees and apprentices;
- b. increasing the participation of women in all aspects of the industry; or
- c. promoting employment and training opportunities for Indigenous Australians in regions where significant indigenous populations exist.

17.1.2. The Recipient must not appoint a contractor, subcontractor or consultant in relation to the Activity where:

- a. the appointment would breach a sanction imposed by the Minister for Employment and Workplace Relations; or
- b. the contractor, subcontractor or consultant has had a judicial decision against them in relation to employee entitlements, not including decisions under appeal, and has not paid the claim.

## **18. Work Health and Safety**

### **18.1. Use of Commonwealth's premises**

18.1.1. The Recipient agrees, when using the Commonwealth's premises or facilities, to comply with all reasonable directions and procedures relating to work health and safety and security in effect at those premises or in regard to those facilities, as notified by the Commonwealth or as might reasonably be inferred from the use to which the premises or facilities are being put.

### **18.2. Assistance to the Commonwealth**

18.2.1. Without limiting clause 2.2 of this Agreement, the Recipient agrees to, on request, give all reasonable assistance to the Commonwealth, by way of provision of information and documents, to assist the Commonwealth and its officers (as defined in the *Work Health and Safety Act 2011* (WHS Act)) to comply with the duties imposed on them under the WHS Act.

18.2.2. The Recipient acknowledges that the Commonwealth may direct the Recipient to take specified measures in connection with the Recipient's work

under this Agreement or otherwise in connection with the Activity that the Commonwealth considers reasonably necessary to deal with an event or circumstance that has, or is likely to have, an adverse effect on the health or safety of persons. The Recipient must comply with the direction. The Recipient agrees that it is not entitled to an adjustment to the Funding merely because of compliance with the direction.

## **19. General Provisions**

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### **19.1. Obligations of Recipient in relation to privacy**

- 19.1.1. The Recipient agrees, in conducting the Activity:
- a. not to do any act or engage in any practice which, if done or engaged in by the Commonwealth, would be a breach of an Australian Privacy Principle; and
  - b. to comply with any directions, guidelines, determinations or recommendations of the Commonwealth, to the extent that they are consistent with the Australian Privacy Principles.
- 19.1.2. The Recipient agrees to notify the Commonwealth immediately if it becomes aware of a breach or possible breach of any of its obligations under this clause. 19.1
- 19.1.3. The provisions of this clause 19.1 survive termination or expiration of this Agreement.

### **19.2. Audit and Access**

- 19.2.1. The Recipient agrees:
- a. to give the Commonwealth, or any persons authorised in writing by the Commonwealth, access to premises where obligations under this Agreement are being carried out; and
  - b. to permit those persons to inspect and take copies of any Material relevant to this Agreement.
- 19.2.2. The rights referred to in clause 19.2.1. are subject to:
- a. the Commonwealth providing reasonable prior notice; and
  - b. the reasonable security procedures in place at the premises.
- 19.2.3. The Auditor-General and Information Officer (and their delegates) are persons authorised for the purposes of clause 19.2.1.
- 19.2.4. This clause 19.2 does not detract from the statutory powers of the Auditor-General or Information Officer.

### **19.3. Access to Documents**

- 19.3.1. In this clause 19.3, 'document' and 'Commonwealth contract' have the same meaning as in the *Freedom of Information Act 1982* (Cth). This clause 19.3

only applies if this Agreement is a 'Commonwealth contract', as defined in the *Freedom of Information Act 1982* (Cth).

- 19.3.2. Where the Commonwealth has received a request for access to a document created by, or in the possession of, the Recipient or any subcontractor that relates to the performance of this Funding Agreement (and not to the entry into the Funding Agreement), the Commonwealth may at any time by written notice require the Recipient to provide the document to the Commonwealth and the Recipient must, at no additional cost to the Commonwealth, promptly comply with the notice.
- 19.3.3. The Recipient must include in any subcontract relating to the performance of this Agreement provisions that will enable the Recipient to comply with its obligations under this clause 19.3.

#### 19.4. Insurance

- 19.4.1. The Recipient agrees to effect and maintain the following insurance:
- a. workers compensation insurance as required by law where the Recipient carries out activities under this Agreement;
  - b. public liability insurance to the value of at least \$10 million for each and every claim, or occurrence giving rise to a claim, in respect to activities undertaken under this Agreement, where occurrence means either a single occurrence or a series of occurrences if these are linked or occur in connection with one another from one original cause, as the case may be; and
  - c. insurance against any loss or damage to an Asset for its full replacement cost including where relevant the costs of demolition and removal of debris and the cost of architects, engineers and other consultants.
- 19.4.2. On request the Recipient will provide proof of insurance acceptable to the Commonwealth.
- 19.4.3. This clause continues in operation for so long as any obligations remain in connection with this Agreement.

#### 19.5. Extension of provisions to subcontractors and Personnel

- 19.5.1. In this clause 19.5:

<b>Requirement</b>	means an obligation, condition, restriction or prohibition binding on the Recipient under this Agreement.
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- 19.5.2. The Recipient agrees to ensure that:
- a. its subcontractors and Personnel comply with all relevant Requirements; and
  - b. any contract entered into in connection with this Agreement imposes all relevant Requirements on the other party.

- 19.5.3. The Recipient agrees to exercise any rights it may have against any of its subcontractors, Personnel or third parties in connection with a Requirement in accordance with any direction by the Commonwealth.

#### 19.6. Conflict of interest

- 19.6.1. In this clause 19.6:

**Conflict** means any matter, circumstance, interest or activity involving or affecting the Recipient, its Personnel or subcontractors which may or may appear to impair the ability of the Recipient to perform the Activity diligently and independently.

- 19.6.2. The Recipient warrants that, to the best of its knowledge after making diligent inquiry, at the Date of this Agreement no Conflict exists or is likely to arise in the performance of the Recipient's obligations under the Agreement.

- 19.6.3. If during the Term a Conflict arises, the Recipient agrees to:

- a. notify the Commonwealth immediately;
- b. make full disclosure of all relevant information relating to the Conflict; and
- c. take any steps the Commonwealth reasonably requires to resolve or otherwise deal with that Conflict.

#### 19.7. Relationship of parties

- 19.7.1. The Recipient is not by virtue of this Agreement an officer, employee, partner or agent of the Commonwealth, nor does the Recipient have any power or authority to bind or represent the Commonwealth.

- 19.7.2. The Recipient agrees:

- a. not to misrepresent its relationship with the Commonwealth; and
- b. not to engage in any misleading or deceptive conduct in relation to the Activity.

#### 19.8. Waiver

- 19.8.1. A failure or delay by a party to exercise any right or remedy it holds under this Agreement or at law does not operate as a waiver of that right.

- 19.8.2. A single or partial exercise by a party of any right or remedy it holds under this Agreement or at law does not prevent the party from exercising the right again or to the extent it has not fully exercised the right.

#### 19.9. Variation of Agreement

- 19.9.1. No variation of this Agreement is binding unless it is agreed in writing and signed by both parties.



- 19.9.2. The parties agree that Attachment 2B to Schedule 2 is to be the KAVHA Work plan amended from time to time (as endorsed by the KAVHA Board).

**19.10. Assignment**

- 19.10.1. The Recipient cannot assign its obligations, and agrees not to assign its rights, under this Agreement without the Commonwealth's prior written approval.
- 19.10.2. The Recipient agrees not to enter into negotiations with any other person for the purposes of entering into an arrangement that will require novation of this Agreement without first consulting the Commonwealth.

**19.11. Survival**

- 19.11.1. Unless the contrary intention appears, the expiry or earlier termination of this Agreement will not affect the continued operation of any provision relating to:
- a. Intellectual Property;
  - b. confidentiality;
  - c. security;
  - d. privacy;
  - e. dealing with copies;
  - f. books and records;
  - g. audit and access;
  - h. an indemnity;
  - i. acknowledgement and publicity;
  - j. rights or obligations following termination or expiry of the Agreement;  
or
  - k. any other provision which expressly or by implication from its nature is intended to continue.

**19.12. Compliance with Legislation and Policies**

- 19.12.1. In this clause 19.12:

**Legislation** means a provision of a statute or subordinate legislation of the Commonwealth of Australia, or of a State, Territory or local authority.

- 19.12.2. The Recipient agrees to comply with any Legislation applicable to its performance of this Agreement.
- 19.12.3. The Recipient agrees, in carrying out its obligations under this Agreement, to comply with any of the Commonwealth's policies as notified, referred or made available by the Commonwealth to the Recipient (including by reference to an internet site).

**19.13. Applicable law and jurisdiction**

19.13.1. This Agreement is to be construed in accordance with, and any matter related to it is to be governed by, the laws of the Australian Capital Territory

19.13.2. Both the Recipient and the Department agree to submit to the non-exclusive jurisdiction of the courts of the Australian Capital Territory in respect of any dispute under this Agreement.

Released under FOI Act by DITRDCA

**Executed as a deed**

This Funding Agreement is made on

*14 October 2014*

SIGNED SEALED AND DELIVERED )  
 for and on behalf of the )  
**COMMONWEALTH OF** )  
**AUSTRALIA**, as represented by the )  
**Department of Infrastructure and**  
**Regional Development:**

s22(1)(a)(ii)

In the presence of:

s22(1)(a)(ii)

Name of witness

s22(1)(a)(ii)

Signature or witness

SIGNED SEALED AND DELIVERED )  
 for and on behalf of **Norfolk Island** by )  
 its authorised signatory: )

s47F

Name of authorised signatory

s47F

Signature

In the presence of:

s47F

Name of witness

s47F

Signature of witness



**SCHEDULE 1 PARTICULARS– EMERGENCY ASSISTANCE FUNDING 2014/15****A. Activity****A.1. Activity**

- A.1.1. The Schedule 1 Activity is the provision to the Norfolk Island community of essential services and the progress of the reforms described in this Schedule 1.

**A.2. Activity Objectives**

- A.2.1. The Commonwealth and the Recipient are committed to a range of initiatives aimed at strengthening Norfolk Island's economic diversity, social cohesion and resilience and that recognises the Island's unique heritage and environment initiatives, as agreed in the *Norfolk Island Road Map* (2011) (the Road Map).
- A.2.2. Through delivering a balanced budget and driving reforms on Norfolk Island, initiatives in this Agreement build on past funding agreements and focus on the following reform areas as identified in the Road Map:
- (a) governance reform;
  - (b) economic development;
  - (c) public sector management;
  - (d) immigration, health, welfare and education;
  - (e) taxation;
  - (f) environment; and
  - (g) extension of Commonwealth laws to Norfolk Island.
- A.2.3. The milestones and General conditions reflect Assistant Minister for Infrastructure and Regional Development, the Hon Jamie Briggs MP's expectations, as outlined in his letter of 5 June 2014 to the Recipient (Attachment 1A).

**B. Funding and Payment**

- B.1.1. The total Funding for the Activity is up to \$7,500,000 GST exclusive.
- B.1.2. The Recipient must deposit the Funds in the Trust Fund in the Public Account of Norfolk Island;
- B.1.3. Each Milestone has an associated payment attached. The Milestone payment will be paid when the Milestone is achieved, following the submission and acceptance of the Milestone report and appropriate evidence to support the achievement of the Milestone.
- B.1.4. If the Recipient is unable to complete a Milestone within the originally committed Reporting Period, the Recipient must request a variation in writing before the Milestone is due to be completed.

- B.1.5. If the Commonwealth agrees that the Milestone can be varied, then the Funding associated with the achievement of the Milestone may also be varied to a newly agreed Reporting Period.
- B.1.6. Where only partial performance of a Milestone is achieved, the Department may make partial payments at a proportion determined at the Commonwealth's discretion.
- B.1.7. If evidence is produced that a Milestone is achieved at a later date, the Department may decide whether the Milestone payment will or will not be paid, or a partial payment made.
- B.1.8. Essential services, including external funding arrangements in the areas of Health, Education, Policing, Utilities and Transport are to be the first calls on the Australian Government funding provided, with any shortfall to be guaranteed by the Norfolk Island Government.

### C. General Conditions

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The purpose of these general conditions is that they apply across the period of the Agreement. A breach of the general conditions is a breach of the Agreement.

- C.1.1. The Recipient must not enter into any new Arrangement under which public money is payable or may become payable, over \$50,000, unless the Department agrees in writing, informed by prior advice from the CFO.
- C.1.2. Where the Recipient intends to make an ex-gratia payment of greater than \$1,000 (excluding honorarium payments to local magistrates and Public Service Board members), sell or lease assets or rights below market value and reduce levies or fees for individuals it must develop a business case and obtain agreement by the CFO as part of the decision making process. The foregoing does not apply to exemptions from duties or levies pursuant to statutory discretions in regard to exemptions under the *Customs Act 1913* or under the hardship provisions relating to Healthcare or Absentee Landowners Levies. Any exceptions made will be recorded and reported in the regular reports to the CFO and in line with requirements in the CFM Orders
- C.1.3. The Recipient agrees that any Milestone achieved through this current, or any previous, funding agreements with the Commonwealth must not be subsequently altered unless agreed to in writing by the Commonwealth. The Recipient agrees that it will not develop policies or procedures that will disadvantage or impede Australian citizens wishing to reside on Norfolk Island.
- C.1.4. The Recipient must comply with the CFM Orders.



**D. Budget**

D.1.1. The Recipient will prepare a Budget for the 2014-15 financial year in accordance with the CFM Orders for approval by the Department. In its Budget, the Recipient must ensure that:

- a. any new or unbudgeted items are offset within the existing Budget. These must be genuine savings and not deferrals of expenditure of liabilities into future years. Those proposed variances within the Budget must be agreed in advance by the CFO in accordance with Clause 7 of this Agreement;
- b. an annual 2.5 percent efficiency dividend is applied to expenditure (unless in the agreed exemption categories: social service benefits, payments for teachers to NSW Department of Education and Communities, payments for policing services to the Australian Federal Police, Stock purchased for resale, custodial costs in Australia, contribution to KAVHA, funding agreement funding and commitments, depreciation )) commencing in 2014-15 and applied perpetually across the outyears, using 2013-14 as the base year. These must be genuine savings and not deferrals of expenditure of liabilities into future years;
- c. staff budgets are contained to current numbers and funding and that it will implement a process to find efficiencies in the number of staff across the financial year 2014/15;
- d. the following principles broadly taken from the "*Australian Government Public Sector Workplace Bargaining Policy*" are applied for all Norfolk Island Government employees:
  - i. improvements in pay and conditions are to be funded from within the reduced annual budget, without the redirection of other programme funding;
  - ii. if the total cost of a proposed agreement is not affordable within existing budget, the agreement should not be approved; and
  - iii. remuneration increases should apply prospectively;
- e. any new appointments are subject to a business case and any new appointments will be the subject of an open, merit based process. No new staff will be engaged in unfunded positions unless there is Commonwealth approval; and
- f. the Recipient's contribution to police budget will not be subject to significant budget cuts unless agreed to by the Commonwealth.

D.1.2. The Budget approved by the Commonwealth will be attached at Attachment 1B to this Schedule. Amendments to the budget, including line item variations, must be agreed in advance by the Commonwealth.

**E. Recipient Contributions and Other Contributions****E.1. Recipient Contributions**

E.1.1. The Recipient is responsible for those parts of the Activity which cannot be funded through the Funding.

**F. Reporting****F.1. Milestone Progress Reports**

- F.1.1. The Recipient must provide the Commonwealth with Milestone Progress Reports ten working days after the end of each Reporting Period.
- F.1.2. Each Milestone Progress Report must include, but need not be limited to, the following information for the Reporting period:
- a. the Recipient's name;
  - b. the names of all the Recipient's subcontractors if any of the Milestones have been delivered by other parties;
  - c. the full Activity title;
  - d. the part of the Term to which the Report relates;
  - e. a description and analysis of the progress of the Activity to date, including detail of the Milestones achieved during the period to which the Report relates and reasons why any Milestones and, if applicable, Program Objectives have not been met;
  - f. Attach evidence to support the achievement of the Milestones.

**F.2. Monthly Financial Report**

- F.2.1. Financial reports against the Budget for all Norfolk Government activities must be provided on a monthly basis (the Monthly Report), in a format agreed by the CFO. The Monthly Reports must be provided by all all entities of the Government to the CFO.
- F.2.2. The Monthly Report must also include a report on KAVHA fund:
- a. Contributions received in that month; and
  - b. Monthly spend for that month; and
  - c. Year to date spend.
- F.2.3. The Monthly Report should be made available to the CFO due five (5) business days after the month close date, and is due to the Department ten (10) business days after the month close date. If this timeframe cannot be met, the Recipient will advise the Department of the reason/s and expected revised delivery timeframe.
- F.2.4. The Monthly Report should also clearly show where Funding has been spent, in accordance with the Budget.
- F.2.5. Each Monthly Report must be accompanied by a statement that:
- a. all Funding, Other Contributions and Recipient Contributions received were spent for the purpose of the Activity and in accordance with this Agreement, and that the Recipient has complied with the Agreement;
  - b. salaries and allowances paid to persons involved in the Activity are in accordance with any applicable award or agreement in force under any relevant law on industrial or workplace relations;
  - c. unless the Activity Period has expired or the Agreement has been terminated, the unspent portion of the Funding (if any) is available for

use within the next reporting period for payments relating to the Budget;

- d. the financial information is presented in accordance with any other financial Reporting requirements the Commonwealth may notify to the Recipient;
- e. at the time the Report or financial statement is provided to the Commonwealth, the Recipient is able to pay all the Recipient's debts as and when they fall due and the Recipient has sufficient resources to discharge all the Recipient's debts at the end of the current Financial Year.

F.2.6. The statement referred to in item F.2.5 must be provided: by the Recipient's Chief Executive Officer, or a person authorised by the Recipient to execute documents and legally bind the Recipient by their execution.

**F.3. Other Reports**

Throughout the Term, the Commonwealth may require the Recipient to provide ad-hoc Reports concerning:

- a. any significant developments concerning the Activity; and
- b. any significant delays or difficulties encountered in performing the Activity in accordance with the Agreement.

The Recipient must provide any such ad-hoc Reports within the timeframe notified by the Commonwealth.

## G. Milestones and associated reporting period

A table with a list of the following milestones and their associated payments if fully completed is at Attachment 1C.

For the **First Reporting Period (covering up to end of October 2014)**, the Recipient will:

Budget Milestone A - Agree and publish the 2014/15 Budget.

1. Norfolk Island Legislative Assembly (NILA) to pass an agreed (by the Commonwealth) Public Service Bill. Public Service Regulations to be agreed by the Commonwealth prior to being made;
- 2(a) Complete the implementation of processes to deliver proper and timely preparation of financial statements, in accordance with Australian National Audit Office (ANAO) recommendation;
- 3(a) Complete the implementation of processes to deliver robust inventory management, in accordance with ANAO recommendation;
- 4(a) Introduce legislation for municipal rates (Bill to be agreed by the Commonwealth), into Norfolk Island Legislative Assembly;
5. Develop an updated agreement with NSW Education, ensure it complies with Clauses 38-42 of CFM Orders, and have it signed by both parties;
6. Develop an updated agreement with Australian Federal Police (AFP), ensure it complies with Clauses 38-42 of CFM Orders, and have it signed by both parties;
7. Provide the final report on the findings of the Business and Household Income and Expenditure surveys to the Commonwealth;
8. Amend the Psyllid Management Action strategy to reflect delayed implementation and provide to the Commonwealth; and
- 9 (a) Remove unrestricted entry permit requirements for Australian citizens and permanent residents and ensure that Australians are considered residents of Norfolk Island on arrival.
- 9(b) Norfolk Island to agree process with Department and Department of Immigration and Border Protection and to enact transitional provisions for current Norfolk Island community members impacted by the provisions of Section 33 A ; and

For the **Second Reporting Period (covering November to December 2014)**, the Recipient will:

- 2(b) Provide evidence that the ANAO recommendation relating to financial statements (2a) has been addressed and verified by the 2013/14 ANAO financial statement audit;
- 3(b) Provide evidence that the ANAO recommendation relating to inventory management (3a) has been addressed and verified by the 2013/14 ANAO financial statement audit;
- 4(b) Norfolk Island Legislative Assembly to pass agreed municipal rates legislative instruments and Bill has been assented to;
- 10(a) Introduce legislation for community title and consequential amendments (Bill to be agreed by the Commonwealth), into Norfolk Island Legislative Assembly;
- 11(a) Implement the Core Requirements in the Deloitte GBEs report findings in the areas of governance, reporting and operational requirements;
- 12. Establish and operationalise the Hospital's external superannuation scheme, in order to address ANAO recommendation, and ANAO financial statement audit for 2013/14 to verify that this recommendation has been addressed; and
- 13(a) Provide evidence that Norfolk Island Hospital Enterprise (NIHE) has addressed mandatory and core 'extreme' findings from Australian Council on Healthcare Standards accreditation review.

For the **Third Reporting Period (covering January to February 2015)**, the Recipient will:

Budget Milestone B - Complete a mid-year budget review and have the budget agreed by the Commonwealth.

- 4(c) Provide evidence municipal rates notices have been issued;
- 10(b) Norfolk Island Legislative Assembly to pass (agreed by Commonwealth) community title legislation and consequential amendments and assented to, and provide evidence it is fully operational;
- 14(a) Develop options for improving revenue stream and agree strategy with the Commonwealth. This is to include a review of non-progressive charges as well as improved compliance for current fees and charges;
- 15 Harmonise road safety laws including drink driving provisions consistent with New South Wales law, to be implemented by February 2015.



For the **Fourth Reporting Period (covering March to April 2015)**, the Recipient will:

Budget Milestone C - Completion of preliminary budget outcome/progress review and update and analysis provided to the Commonwealth;

- 11(b) Implement Deloitte GBEs report full cost of service model for each GBE;
- 13(b) Provide evidence that NIHE has addressed mandatory and core 'high risk' findings from Australian Council on Healthcare Standards accreditation review; and
- 16 Implement a waste management strategy, agreed to by the Commonwealth, to align with the incinerator project.

For the **Fifth Reporting Period (covering May to June 2015)**, the Recipient will:

- 2(c) Develop comprehensive strategy to address recommendations from 2013-14 audit and provide to the Commonwealth;
- 4(d) Provide evidence that municipal rates have been collected, consistent with target for 2014/15 of \$250,000;
- 14(b) Provide evidence that revenue streams identified through 14(a) are ready to implement on July 1 2015, with a revenue target of \$1 million per year;
- 13(c) NIHE to undertake Australian Council on Healthcare Standards accreditation re-survey and achieve hospital accreditation; and
- 17 Consolidate health legislation as set out in Nexus and Smyth reports and address governance issues identified in Smyth report.

## SCHEDULE 2 PARTICULARS - NORFOLK ISLAND WORLD HERITAGE CONVICT SITE (KINGSTON AND ARTHURS VALE HISTORIC AREA (KAVHA))

### A. Activity

#### A.1. Activity

- A.1.1. The Schedule 2 Activity is the performance of the annual Works Program of the Norfolk Island World Heritage Convict Site (Kingston and Arthur's Vale Historic Area KAVHA).

#### A.2. Activity Objectives

The Activity Objectives are to:

- A.2.1. ensure that the KAVHA site is managed in accordance with best practice principles and consistent with relevant legislation including, but not limited to: the World Heritage Convention, Commonwealth Heritage Listing and Environment Protection Biodiversity Conservation (EPBC) Act requirements;
- A.2.2. contribute to achieving joint heritage and management goals;
- A.2.3. maintain the conserved buildings and structures at KAVHA consistent with the endorsed heritage values of the site;
- A.2.4. stabilize the ruins at KAVHA to prevent further decay;
- A.2.5. physically enhance KAVHA for interpretative work;
- A.2.6. manage archaeological investigations at KAVHA;
- A.2.7. ensure the controlled use of those conserved buildings;
- A.2.8. enhance interpretation, including events and activities;
- A.2.9. enhance visitor experiences, including opportunities for commercial activity; and
- A.2.10. integrate strategies with broader activities in the KAVHA precinct including the museum and the KAVHA Visitor and Information Centre.

### B. Funding and Payment

#### B.1. In relation to Commonwealth Funding:

- B.1.1. The total Funding for the Activity is based on the appropriation provided for the purposes of preservation of maintenance of KAVHA (\$606,000), minus all costs incurred by the Commonwealth for Commonwealth Heritage Manager of \$120,000 per year.
- B.1.2. Payments will be made by the Commonwealth on a monthly, in arrears, basis.
- B.1.3. The Recipient is required to have a separate account for KAVHA related funding (the KAVHA Account).

**C. General Conditions**

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In performing the Activity, the Recipient is required to:

- C.1.1. undertake the 2014/15 works program within the Budget as endorsed by the KAVHA Board and set out at Attachment 2B (Works Program); and in accordance with the legislation set out at Attachment 2A.
- C.1.2. in consultation with the Commonwealth Heritage Manager, undertake the Works Program in accordance with appropriate expert and technical advice, with the Commonwealth Heritage Manager to assist in this process;
- C.1.3. direct all EPBC Act referrals and planning applications within KAVHA to be to Commonwealth Heritage Manager in the first instance, in order to determine responsibility for progression.
- C.1.4. Following consultation with the KAVHA Board, submit any variations to the Works Program to the Department for agreement;
- C.1.5. achieve the Milestones in accordance with the Works Programs relating to the Activity that are specified in Attachment 2B to the Schedule.

**D. Use of Funding**

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- D.1.1. The Budget for the Activity is based on the contributions of the Commonwealth and Recipient. The Budget is reflected in the Work Plan at Attachment 2B.
- D.1.2. The Recipient may only use the Funding for works allocated through the Works Program most recently approved by the KAVHA Board, which as at the date of this Agreement is as set out in Attachment 2B.
- D.1.3. The parties acknowledge that the Works Program, with associated implications on the budget allocation, may be amended by the KAVHA Board.
- D.1.4. Any new version of the Works Program (as agreed by the KAVHA Board) should be dated and becomes an Attachment to this Agreement, replacing the previous version.

**E. Recipient Contributions and Other Contributions**

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**E.1. Recipient Contributions**

- E.1.1. Recipient Contributions are to be not less than \$300,000 per year, paid as monthly instalments to the KAVHA Account.

**E.2. Other Contributions**

- E.2.1. Any income generated from KAVHA activities must be included in the budget as revenue.
- E.2.2. Any other funding or grants relating to KAVHA must also be included in Reports.

**F. Reporting**

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**F.1. Milestone Progress Reports**

- F.1.1. The Recipient must provide the Commonwealth with Milestone Progress Reports.
- F.1.2. Each progress Report must include, but need not be limited to, the following information for the Reporting period:
- a. the Recipient's name;
  - b. the names of all the Recipient's subcontractors if any of the Milestones have been delivered by other parties;
  - c. the full Activity title;
  - d. the part of the Term to which the Report relates;
  - e. a description and analysis of the progress of the Activity to date, including detail of the Milestones achieved during the period to which the Report relates and reasons why any Milestones and, if applicable, Program Objectives have not been met; and
  - f. evidence to support the achievement of the Milestone.

**F.2. Monthly Financial Report**

- F.2.1. The Recipient must provide the Commonwealth with a monthly report against the agreed budget for KAVHA through the Monthly Reporting arrangements set out at Item F.2.2 of Schedule 1.

**F.3. Other Reports**

Throughout the Term, the Commonwealth may require the Recipient to provide ad-hoc Reports concerning:

- a. any significant developments concerning the Activity; and
- b. any significant delays or difficulties encountered in performing the Activity in accordance with the Agreement.

The Recipient must provide any such ad-hoc Reports within the timeframe notified by the Commonwealth.


**ATTACHMENT 1 – LETTER FROM MINISTER BRIGGS TO CHIEF MINISTER**

**The Hon Jamie Briggs MP**

Assistant Minister for Infrastructure  
and Regional Development  
Member for Mayo

Reference: MS14-000526

The Hon Lisle Snell MLC  
Chief Minister and Minister for Tourism  
The Government of Norfolk Island  
Old Military Barracks  
KINGSTON NORFOLK ISLAND 2899

Dear Chief Minister 

Thank you for your letter of 14 May 2014 regarding the Australian Government's 2014-15 Budget announcement of a further package of support for Norfolk Island.

This package of support is being provided as a short-term measure while the Australian Government considers its broader election commitment to integrate Norfolk Island into the Australian Taxation and Social Security Systems.

Prior to entering into a funding agreement, I would like to take the opportunity to articulate for the Norfolk Island Government my expectations which underpin the Commonwealth's continued support.

These expectations extend to all aspects of the Norfolk Island Government: Administration, Health Enterprise, Coast Bureau and their operational and administrative arms and Government Business Enterprises, which I will collectively refer to in this letter as 'the Norfolk Island Government'.

Commonwealth funding will be contingent upon a number of higher level commitments by the Norfolk Island Government to reduce its deficit position through the implementation of stronger expenditure controls consistent with Australian National Audit (NAAO) recommendations; enhanced revenue raising and strengthened revenue collection systems; as well as a continued commitment to implement in a timely manner broader reforms which are preconditions to tax and social services integration. I would also expect an accelerated program of Immigration, Healthcare and Public Sector reform. Public sector reform must include all Norfolk Island Government employees, not just those of the Administration.

Parliament House, Canberra ACT 2600  
Telephone: 02 6277 7020  
Facsimile: 02 6277 4426  
[www.minister.infrastructure.gov.au](http://www.minister.infrastructure.gov.au)



These commitments are:

- The Australian Government, through officials from my Department and including the Commonwealth Financial Officer based on-Island, will formally agree the Norfolk Island annual Budget, and subsequent Budget updates and/or changes, prior to relevant Appropriation Bills being considered by the Legislative Assembly. Once agreed the document will be publically released to the broader Norfolk Island community. Any subsequent changes to the budget must be agreed in advance by the Australian Government, and any new or unbudgeted expenditure must be fully offset. These offsets must be genuine savings and not deferrals of expenditure or liabilities into future years;
- Implementation of an annual 2.5 percent efficiency dividend to be applied to expenditure across the board commencing in 2014-15 and applied perpetually across the out years, using 2013-14 as the base year. These must be genuine savings and not deferrals of expenditure or liabilities into future years and any further pay rises for Norfolk Island Government employees must be met from within the reduced annual budget;
- Financial reporting against the agreed budget and including all Norfolk Island Government activities (including the Hospital Enterprise) must be provided on a monthly basis to my Department within five business days after the month close date;
- The Norfolk Island Government will introduce municipal rates and land tax regimes within the first quarter of this agreement;
- Community Title legislation will be introduced during 2014-15;
- Essential services, including external funding arrangements in the areas of Health, Education, Policing, Utilities and Transport are to be the first calls on Australian Government funding provided, with any shortfall to be guaranteed by the Norfolk Island Government;
- The Norfolk Island Government will, early in 2014-15, finalise its Memorandum of Understanding with the Australian Federal Police to support policing to a standard consistent with mainland jurisdictions. This would include the implementation of Road Safety practices and policies consistent with mainland standards and introduction of appropriate legislation, including for example, to allow drug and alcohol testing;
- A commitment to reduce all further barriers to immigration within the first quarter of this agreement including the treatment of foreign nationals in a way consistent with the *Migration Act 1958* (Cth);
- Introduction of legislation, agreed in advance with the Commonwealth and within the first Quarter of this funding agreement for Public Sector Reform;

- Immediate action to address the mandatory high and extreme findings from the Australian Council on Healthcare Standards accreditation review process;
- The key recommendations of the 2013 Nexus Management Consulting Health Services Plan review must be implemented within the life of this funding agreement;
- Capital works projects for the Incinerator and the Cascade Jetty are to be progressed as a priority to ensure funding conditions are met and the projects are brought to finalisation;
- A new model for the governance and funding arrangements for the Kingston and Arthurs Vale Historic Area will form a schedule to the Emergency Funding Agreement; and
- Full implementation by the end of March 2015 of the agreed recommendations arising from the current Deloitte review of Government Business enterprises.

I am mindful of your previous comments on the milestones in the current 2013-14 funding agreement. Your agreement to the measures outlined above will allow for the 2014-15 funding agreement to be streamlined considerably.

Officials of my Department are happy to discuss any aspect of this letter to you. To that extent, the relevant contact in my Department is Ms Robyn Fleming on +61 2 6274 7446 or [Robyn.Fleming@infrastructure.gov.au](mailto:Robyn.Fleming@infrastructure.gov.au).

**s47F**

05 JUN 2014

ATTACHMENT 1 – 2014/15 BUDGET



**APPROPRIATION ACT 2014-2015**  
**APPROPRIATION ACT 2014-2015**

Act No. 8 of 2014

**TABLE OF PROVISIONS**

Section

1. Short title
2. Commencement
3. Authority for expenditure
4. Schedule 2 expenditures
5. Expenditure authorised by other laws  
Schedule

A handwritten signature in black ink, appearing to be "Re".

2

Appropriation  
SCHEDULE

No. 8, 2014

20 June 2014

ITEM (Expenditure Category)	DIVISION (Cost Centre)	CAPITAL AMOUNT	OPERATING AMOUNT	TOTAL \$
<u>PERFORMANCE BUDGET ALLOCATION BY PROGRAM</u>				
<u>C.E.O. OFFICE</u>				
<u>CORPORATE MANAGEMENT PROGRAM</u>				
ADMINISTRATIVE GENERAL	101		1,156,980	1,156,980
CORPORATE MANAGEMENT	102		467,463	467,463
MONITORING AND AUDIT	104	4,000	121,504	125,504
FINANCE	110		315,520	315,520
LEGAL SERVICES UNIT	114		352,463	352,463
RECORDS	117		52,866	52,866
INFORMATION TECHNOLOGY	120	140,000	525,921	665,921
HUMAN RESOURCES	122		333,521	333,521
COURTS & REGISTRY	180	200,000	571,747	771,747
LIBRARY	200		43,824	43,824
SUBSIDIES & GRANTS	220		4,179,772	4,179,772
<u>CORPORATE POLICY &amp; PLANNING PROGRAM</u>				
PUBLIC SERVICE BOARD	108		4,910	4,910
<u>PUBLIC WORKS</u>				
<u>PUBLIC WORKS PROGRAM</u>				
WORKS STORE	112		101,509	101,509
BUILDING MAINTENANCE	270		237,352	237,352
WORKS DEPOT	274		125,584	125,584
MECHANICAL	275		155,641	155,641
GROUNDS MAINTENANCE	279		237,451	237,451
ROADS	340		884,817	884,817
CASCADE SALE OF ROCK	620		57,670	57,670
<u>SOCIAL SERVICES/ WELFARE/COMPANIES</u>				
COMPANYS OFFICE	118	20,000	56,257	76,257
WELFARE	170		2,748,312	2,748,312

3

Appropriation  
SCHEDULE

No. 8, 2014

20 June 2014

ITEM (Expenditure Category)	DIVISION (Cost Centre)	CAPITAL AMOUNT	OPERATING AMOUNT	TOTAL \$
<u>LAND USE AND ENVIRONMENT</u>				
<u>LAND USE AND ENVIRONMENT PROGRAM</u>				
LAND USE AND ENVIRONMENT	126		102,793	102,793
PLANNING	155		47,350	47,350
STOCK AND NOXIOUS WEEDS	250		48,270	48,270
WASTE MANAGEMENT	655	100,000	455,674	555,674
<u>WATER ASSURANCE</u>				
HEALTH AND QUARANTINE	150	30,000	476,374	506,374
WATER ASSURANCE	650		112,190	112,190
<u>NORFOLK IS. LEGISLATIVE ASSEMBLY</u>				
LEGISLATIVE ASSEMBLY	210		604,942	604,942
<u>FORESTRY</u>				
<u>PARKS AND FORESTRY PROGRAM</u>				
RESERVES AND CONSERVATION	240		208,480	208,480
FORESTRY PLANTATIONS	241		45,382	45,382
CEMETERY	243		42,256	42,256
TANALITH PLANT	260	10,000	58,541	68,541
<u>LIQUOR BOND</u>				
LIQUOR BOND	300		2,276,278	2,276,278
<u>GST</u>				
GOODS & SERVICES TAX (GST)	320		166,010	166,010
<u>NORFOLK ENERGY</u>				
NORFOLK ENERGY	330		6,434,382	6,434,382
<u>PHILATELIC</u>				
PHILATELIC BUREAU	351		175,715	175,715
<u>POSTAL SERVICES</u>				
<u>NORFOLK POST PROGRAM</u>				
ADMINISTRATIVE	355		74,552	74,552
RETAIL OPERATIONS	360		232,441	232,441
MAIL PROCESSING	365		114,553	114,553



## Australian Government Department of Infrastructure and Regional Development

4

Appropriation  
SCHEDULE

No. 8, 2014

20 June 2014

ITEM (Expenditure Category)	DIVISION (Cost Centre)	CAPITAL AMOUNT	OPERATING AMOUNT	TOTAL \$
<u>ELECTRICITY</u>				
ELECTRICITY - POWER HOUSE	401		2,755,963	2,755,963
ELECTRICITY - RETICULATION	402	246,000	442,105	688,105
<u>TELECOM</u>				
NORFOLK TELECOM	503		1,914,618	1,914,618
INFORMATION SERVICE - ISP	504		55,503	55,503
NORFOLK TELECOM- G.S.M.	505		134,553	134,553
<u>RADIO STATION</u>				
BROADCASTING - VL2NI	503		171,342	171,342
<u>LIGHTERAGE</u>				
LIGHTERAGE SERVICE	552	480,000	287,864	767,864
<u>EMERGENCY SERVICES</u>				
<u>NORFOLK ISLAND FIRE SERVICE PROGRAM</u>				
MANAGEMENT	607		127,028	127,028
COMMUNITY FIRE SAFETY	608		24,908	24,908
AVIATION RESCUE AND FIRE FIGHTING	609		237,108	237,108
<u>EMERGENCY SERVICES</u>				
<u>EMERGENCY MANAGEMENT PROGRAM</u>				
EMERGENCY MANAGEMENT	612		9,630	9,630
<u>AIRPORT</u>				
<u>NORFOLK ISLAND AIRPORT PROGRAM</u>				
AIRPORT OPERATIONS	615		376,160	376,160
AIRPORT MAINTENANCE	623		177,334	177,334
<u>CUSTOMS &amp; IMMIGRATION</u>				
CUSTOMS	116	20,000	425,829	425,829
IMMIGRATION	115		140,509	140,509
ISLAND CENSUS	123		22,500	22,500

## Australian Government Department of Infrastructure and Regional Development

5

Appropriation  
SCHEDULE

No. 8. 2014

20 June 2014

ITEM (Expenditure Category)	DIVISION (Cost Centre)	CAPITAL AMOUNT	OPERATING AMOUNT	TOTAL \$
<u>MUSEUMS</u>				
<u>BOOKSHOP PROGRAM</u>				
MERCHANDISING	751		46,090	46,090
<u>MUSEUMS</u>				
<u>COLLECTIONS PROGRAM</u>				
COLLECTIONS CONSERVATION	750		57,156	57,156
COLLECTIONS MANAGEMENT	754	10,000	228,789	238,789
<u>MUSEUMS</u>				
<u>TRIAL OF FIFTEEN PROGRAM</u>				
PERFORMANCES	759		34,912	34,912
<u>GAMING</u>	800		52,140	52,140
<u>EDUCATION</u>	160	59,240	3,457,115	3,516,355
<u>POLICING</u>	120		867,761	867,761
<u>TOURISM</u>	220		52,154	52,154
<u>TOTAL BUDGET ALLOCATION BY PROGRAM</u>		<u>1,319,240</u>	<u>36,856,239</u>	<u>38,175,479</u>

Notified Gazette No. 18, 27 June 2014.

Commenced on gazettal (27 June 2014).

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ATTACHMENT 1C – TABLE MAPPING REPORTING PERIODS, MILESTONES AND PAYMENTS

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
Monthly financial reporting - due 10 days after end of each calendar month		September 2014 October 2014		Nov 2014 Dec 2014		January 2015 February 2015		March 2015 April 2015		May 2015 June 2015	
2014-15 Budget document with financial policy objectives statement		A. Agree and publish the 2014/15 Budget	200,000			B. Complete a mid-year budget review and have the budget agreed by the Commonwealth	200,000	C. Complete preliminary budget outcome/ progress review. Update and analysis provided to the Commonwealth	100,000		FOI 23-091
Governance Reform	Public Sector Reform	1. Norfolk Island Legislative Assembly (NILA) to pass an agreed Public Service Bill. Public Service Regulations to be agreed by Commonwealth prior to being made	350,000								
	Implementation of Australian National Audit Office (ANAO) financial statements audit recommendations	2 a. Complete the implementation of processes to deliver proper and timely preparation of financial statements, in accordance with ANAO recommendation	100,000	2 b. Provide evidence that the ANAO recommendation relating to financial statements (2a) has been addressed and verified by the 2013/14 ANAO financial statement audit	150,000					2.c. Develop comprehensive strategy to address recommendations from 2013-14 ANAO audit and provide to the Commonwealth.	150,000

Australian Government Department of Infrastructure and Regional Development

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
		3 a. Complete the implementation of processes to deliver robust inventory management, in accordance with ANAO recommendation.	100,000	3 b. Provide evidence that the ANAO recommendation relating to inventory management (3a) has been addressed and verified by the 2013/14 ANAO financial statement audit.	150,000						
Economic Development	Implementation of municipal rates regime on Norfolk Island	4 a. Introduce legislation for municipal rates (Bill to be agreed by the Commonwealth), into Norfolk Island Legislative Assembly	100,000	4 b. NILA to pass agreed municipal rates legislative instruments, and Bill has been assented to.	350,000	4 c. Provide evidence municipal rates notices have been issued.	450,000			4 d. Provide evidence that municipal rates have been collected, consistent with target for 2014/15 of \$250,000.	200,000 OI 23-091
	Legislation for Community Title and consequential amendments			10 a. Introduce legislation for community title and consequential amendments (Bill to be agreed by the Commonwealth), into NILA.		10 b. NILA to pass agreed community title legislation and consequential amendments assented to, and provide evidence it is fully operational.	350,000				
	Identification of strengthened revenue stream for the Norfolk Island Administration to deliver essential services					14 a. Develop options for improving revenue stream and agree strategy with the Commonwealth. This is to include a review of non-progressive charges as well as improved compliance for current fees and charges.	200,000			14 b. Provide evidence that revenue streams identified through 14(a) are ready to implement on July 1 2015, with a revenue target of \$1 million per year.	350,000

Australian Government Department of Infrastructure and Regional Development

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
Public Sector Management	Implementation of agreed recommendations from the Deloitte review of Government Business Enterprises			11 a. Implement the Core Requirements in the Deloitte GBEs report findings in the areas of governance, reporting and operational requirements,	250,000			11 b. Implement Deloitte GBEs report full cost of service model for each GBE	300,000		
Immigration, Health, Welfare and Education	Implementation of Australian National Audit Office (ANAO) financial statements audit recommendations			12. Establish and operationalise the Hospital's external superannuation scheme, in order to address ANAO recommendation, and ANAO financial statement audit for 2013/14 to verify that this recommendation has been addressed	250,000						FOI 23-091
	Accreditation of Norfolk Island Hospital			13 a. Provide evidence that NIHE has addressed mandatory and core 'extreme' findings from Australian Council on Healthcare Standards accreditation review	100,000			13 b. Provide evidence that NIHE has addressed 'high risk' findings from Australian Council on Healthcare Standards accreditation review	100,000	13 c. NIHE to undertake Australian Council on Healthcare Standards accreditation re-survey and achieve hospital accreditation	550,000



Australian Government Department of Infrastructure and Regional Development

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
	Consolidate health legislation, agreed by the Commonwealth, in line with the recommendations of the Nexus Management Consulting Services Plan and previous work undertaken by Dr Tim Smyth									17. Consolidate health legislation as set out in Nexus and Smyth reports and address governance issues identified in Smyth report	350,000
	Memorandum of Understanding with the New South Wales Department of Education for delivery of education services	5. Develop an updated agreement with NSW Education, ensure it complies with Clauses 38-42 of CFM Orders, and have it signed by both parties	200,000								
	Memorandum of Understanding with the Australian Federal Police to support policing to a standard consistent with mainland jurisdictions	6. Develop an updated agreement with AFP, ensure it complies with Clauses 38-42 of CFM Orders, and have it signed by both parties	200,000								

24

Australian Government Department of Infrastructure and Regional Development

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
Taxation	Business and Household Income and Expenditure survey to provide base data on income and expenditure patterns	7. Provide the final report on the findings of the Business and Household Income and Expenditure surveys to the Commonwealth	200,000								
	Psyllid Management Action Strategy	8. Amend the Psyllid Management Action strategy to reflect delayed implementation and provide to the Commonwealth	200,000								
Environment	Waste management strategy to address the cessation of dumping at Headstone point							16. Implement waste management strategy, agreed by Commonwealth, to align with the incinerator project	350,000		
	Reduce all further barriers to immigration including the treatment of foreign nationals in a way consistent with the Migration Act 1958 (Cth). The Department will provide advice on the actions required	9 a. Remove unrestricted entry permit requirements for Australian citizens and permanent residents and ensure that Australians are considered residents of Norfolk Island on arrival.  9 b. Norfolk Island to agree process with Department of Immigration and Border Protection and to enact transitional provisions for current Norfolk Island community members impacted by the provisions of Section 33 A	200,000  350,000								

FOI 23-091

PR

Australian Government Department of Infrastructure and Regional Development

Norfolk Island Road Map Priority Area	Deliverable	Reporting Period 1 September/ October 2014	Amount	Reporting Period 2 November/ December 2014	Amount	Reporting Period 3 January/ February 2015	Amount	Reporting Period 4 March/ April 2015	Amount	Reporting Period 5 May/ June 2015	Amount
	Harmonise road safety laws and regulations with mainland arrangements (NSW)					15. Harmonise road safety laws including drink driving provisions consistent with New South Wales law, to be implemented by February 2015.	400,000				
TOTALS			2,200,000		1,250,000		1,600,000		850,000		1,600,000
											7,500,000

Blue - NIA and Department identified milestones	
Green - Minister identified milestones	

25

**ATTACHMENT 2A – LEGISLATIVE CONTEXT COVERING KAVHA**

The *Norfolk Island Act 1979* (the NI Act) establishes the powers and responsibilities of the Administrator, the Norfolk Island Government, the Commonwealth Minister with responsibility for Territories and the Governor-General in the Territory's governance, and allowed the enactment of the following pieces of Norfolk Island legislation that affect KAVHA:

- *Crown Lands Act 1996*
- *Planning Act 1996* and the Norfolk Island Plan 2002 (the NI Plan)
- *Norfolk Island Heritage Act 2002*
- *Public Reserves Act 1997* and associated plans of management
- *Trees Act 1999*, and
- *Norfolk Island Building Act 2002*, other Codes and Standards.

***Environment Protection and Biodiversity Conservation Act 1999***

The other primary piece of Commonwealth legislation is the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) with its obligations relating to Commonwealth and National heritage listings and the environment on Commonwealth land.

The EPBC Act remains the primary legislation for protecting the heritage values of KAVHA as Norfolk Island planning laws are subject to it.

The EPBC Act protects the environment on any Commonwealth owned land, including places in the Commonwealth Heritage List and the RNE. The EPBC Act therefore applies to all land in KAVHA whether; Reserves, Crown Land; Crown land leased or occupied by the Norfolk Island Administration and Crown land leased to private individuals. The environment includes heritage values of places.

The EPBC Act gives a framework for proponents of actions and to the persons representing the Commonwealth as the landlord on how to make decisions so that actions that have an adverse impact on the environment of Commonwealth land do not occur.

Under the EPBC Act approval is required for:

1. An action taken by any person on Commonwealth land that is likely to have a significant impact on the environment (subsection 26(1) of the EPBC Act);
2. An action taken by any person outside of Commonwealth land that is likely to have a significant impact on the environment on Commonwealth land (subsection 26(2) of the EPBC Act);
3. An action taken by a Commonwealth agency anywhere in the world that is likely to have a significant impact on the environment (section 28 of the EPBC Act).

'Action' is defined in the EPBC Act and includes site preparation and construction, operation and maintenance, and closure and completion stages of a project, as well as alterations or modifications to existing structures, landscape and infrastructure. It does not include change of land use nor subdivision, but only the physical works that may arise out of these processes.

***Crown land***

As Crown land in the territory is owned by the Australian Government, the Australian Government Minister responsible for the Norfolk Island Act may *in accordance with law*,

*make grants or other dispositions of Crown land in the Territory.* Under the Norfolk Island Crown Lands Act 1996 the Administrator may issue leases and licenses over vacant Crown land and establish appropriate conditions, rents and fees.

### **World Heritage**

The World Heritage values of KAVHA are automatically protected under the EPBC Act.

The primary management objectives for World Heritage properties are part of Australia's general obligations under the World Heritage Convention:

- to protect, conserve and present the World Heritage values of the property;
- to integrate the protection of the area into a comprehensive planning program;
- to give the property a function in the life of the Australian community;
- to strengthen appreciation and respect of the property's World Heritage values, particularly through educational and information programs;
- to keep the community broadly informed about the condition of the World Heritage values of the property; and
- to take appropriate scientific, technical, legal, administrative and financial measures necessary for achieving the foregoing objectives.

In achieving these primary objectives due regard is given to:

- ensuring the provision of essential services to communities within and adjacent to a property;
- allowing provision for use of the property which does not have a significant impact on the World Heritage values and their integrity;
- recognising the role of current management agencies in the protection of a property's values; and
- the involvement of the local community in the planning and management of a property



## Australian Government Department of Infrastructure and Regional Development

## ATTACHMENT 2B – AGREED BUDGET &amp; WORK PROGRAMS FOR KAVHA 2014/15

## EXPENDITURE

DETAIL AT PAGE NO: 2

	MOU A	MOU B	MOU C	MOU D	TOTAL	%
<b>A. RECURRENT COSTS</b>						
1. Staffing costs	\$ 204,930.00	\$ 233,620.00	\$ 91,100.00	\$ 104,300.00	\$ 710,550.00	67%
2. Administrative costs	\$ 17,760.00	\$ 19,500.00	\$ 15,300.00	\$ 300.00	\$ 52,860.00	5%
<b>B. PROJECT COSTS</b>						
3. Transportation & Fuel Costs	\$ 8,000.00	\$ 5,000.00	\$ -	\$ -	\$ 13,000.00	1%
4. Core Business costs	\$ 33,300.00	\$ 99,000.00	\$ 35,500.00	\$ 19,000.00	\$ 232,800.00	22%
<b>C. CAPITAL COSTS</b>						
5. Plant & Equipment costs	\$ 2,000.00	\$ 2,000.00	\$ 500.00	\$ 43,500.00	\$ 48,000.00	5%
6. Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	0%
<b>Capital</b>	\$ 2,000.00	\$ 2,000.00	\$ 500.00	\$ 43,500.00	\$ 48,000.00	5%
<b>Recurrent</b>	\$ 395,930.00	\$ 357,120.00	\$ 141,900.00	\$ 110,200.00	\$ 1,005,150.00	95%

<b>TOTAL BUDGET - EXPENDITURE</b>	\$ 395,930.00	\$ 359,120.00	\$ 142,400.00	\$ 159,700.00	\$ 1,057,150.00	100%
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## INCOME

<b>D. Government Contributions</b>						
IN-1.1 Commonwealth contribution	\$ 390,930.00	\$ 172,060.00	\$ 42,942.00	\$ -	\$ 605,932.00	57%
IN-1.2 NIG contribution	\$ -	\$ 172,060.00	\$ 85,358.00	\$ 42,700.00	\$ 300,118.00	28%
<b>Government</b>	\$ 390,930.00	\$ 344,120.00	\$ 127,400.00	\$ 42,700.00	\$ 905,150.00	86%
<b>E. Other Funding</b>						
IN-2.1 Site Activities - Commercial	\$ 3,000.00	\$ 10,000.00	\$ 15,000.00	\$ 17,000.00	\$ 52,000.00	5%
IN-2.2 Miscellaneous Income - heritage grants, DMRD capital funding etc	\$ -	\$ -	\$ -	\$ -	\$ -	0%
IN-2.3 Appropriation Account	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00	9%
<b>Other</b>	\$ 3,000.00	\$ 15,000.00	\$ 15,000.00	\$ 17,000.00	\$ 52,000.00	5%
<b>TOTAL BUDGET - INCOME</b>	\$ 395,930.00	\$ 359,120.00	\$ 142,400.00	\$ 159,700.00	\$ 1,057,150.00	100%

Assumptions -

MOU A - CONSERVATION & MAINTENANCE

EXPENDITURE DETAIL

A. RECURRENT COSTS

3. Staffing costs	\$ 209,875.00
3.1 Wages	
3.1.1 Casual	81,135.00
3.1.2 Permanent	44,800.00
3.1.3 Overtime	18,800.00
3.1.4 Superannuation	20,500.00
3.1.5 Other	20,500.00
3.1.6 Total	185,735.00

3.2 Overtime	
3.2.1 Overtime - 100% A shift	1,000.00

3.3 Staff Accommodation	
3.3.1 Accommodation - Home & Work	700.00
3.3.2 Accommodation - Home & Work	400.00
3.3.3 Accommodation - Home & Work	1,000.00
3.3.4 Accommodation - Home & Work	200.00
3.3.5 Accommodation - Home & Work	200.00

3.4 Staff Entertainment	
3.4.1 Entertainment - Home & Work	10,000.00
3.4.2 Entertainment - Home & Work	10,000.00
3.4.3 Entertainment - Home & Work	10,000.00
3.4.4 Entertainment - Home & Work	10,000.00
3.4.5 Entertainment - Home & Work	10,000.00

3.5 Staff Compensation	
3.5.1 Compensation - Home & Work	1,000.00
3.5.2 Compensation - Home & Work	1,000.00
3.5.3 Compensation - Home & Work	1,000.00
3.5.4 Compensation - Home & Work	1,000.00
3.5.5 Compensation - Home & Work	1,000.00

3.6 Professional Clothing	
3.6.1 Professional Clothing - Home & Work	1,000.00
3.6.2 Professional Clothing - Home & Work	1,000.00
3.6.3 Professional Clothing - Home & Work	1,000.00
3.6.4 Professional Clothing - Home & Work	1,000.00
3.6.5 Professional Clothing - Home & Work	1,000.00

3.7 Travel & Transportation	
3.7.1 Travel & Transportation - Home & Work	1,000.00
3.7.2 Travel & Transportation - Home & Work	1,000.00
3.7.3 Travel & Transportation - Home & Work	1,000.00
3.7.4 Travel & Transportation - Home & Work	1,000.00
3.7.5 Travel & Transportation - Home & Work	1,000.00

4. Administrative costs	\$ 12,785.00
4.1 General supplies - 12,000, include 100% A shift	1,000.00
4.2 Stationery - 100% A shift, include 100% A shift	1,000.00
4.3 Stationery - 100% A shift, include 100% A shift	1,000.00
4.4 Stationery - 100% A shift, include 100% A shift	1,000.00
4.5 Stationery - 100% A shift, include 100% A shift	1,000.00
4.6 Stationery - 100% A shift, include 100% A shift	1,000.00
4.7 Stationery - 100% A shift, include 100% A shift	1,000.00
4.8 Stationery - 100% A shift, include 100% A shift	1,000.00
4.9 Stationery - 100% A shift, include 100% A shift	1,000.00
4.10 Stationery - 100% A shift, include 100% A shift	1,000.00

B. PROJECT COSTS

1. Transportation costs	\$ 4,000.00
1.1 Vehicle hire costs	
1.1.1 Vehicle hire costs - 100% A shift	1,000.00
1.1.2 Vehicle hire costs - 100% A shift	1,000.00
1.1.3 Vehicle hire costs - 100% A shift	1,000.00
1.1.4 Vehicle hire costs - 100% A shift	1,000.00

2. Other (Construction) - Construction A (Construction)	\$ 10,000.00
2.1 Construction costs - 100% A shift	1,000.00
2.2 Construction costs - 100% A shift	1,000.00
2.3 Construction costs - 100% A shift	1,000.00
2.4 Construction costs - 100% A shift	1,000.00

3. Construction costs - 100% A shift	1,000.00
3.1 Construction costs - 100% A shift	1,000.00
3.2 Construction costs - 100% A shift	1,000.00
3.3 Construction costs - 100% A shift	1,000.00
3.4 Construction costs - 100% A shift	1,000.00

4. Construction costs - 100% A shift	1,000.00
4.1 Construction costs - 100% A shift	1,000.00
4.2 Construction costs - 100% A shift	1,000.00
4.3 Construction costs - 100% A shift	1,000.00
4.4 Construction costs - 100% A shift	1,000.00

5. Construction costs - 100% A shift	1,000.00
5.1 Construction costs - 100% A shift	1,000.00
5.2 Construction costs - 100% A shift	1,000.00
5.3 Construction costs - 100% A shift	1,000.00
5.4 Construction costs - 100% A shift	1,000.00

6. Construction costs - 100% A shift	1,000.00
6.1 Construction costs - 100% A shift	1,000.00
6.2 Construction costs - 100% A shift	1,000.00
6.3 Construction costs - 100% A shift	1,000.00
6.4 Construction costs - 100% A shift	1,000.00

7. Construction costs - 100% A shift	1,000.00
7.1 Construction costs - 100% A shift	1,000.00
7.2 Construction costs - 100% A shift	1,000.00
7.3 Construction costs - 100% A shift	1,000.00
7.4 Construction costs - 100% A shift	1,000.00

8. Construction costs - 100% A shift	1,000.00
8.1 Construction costs - 100% A shift	1,000.00
8.2 Construction costs - 100% A shift	1,000.00
8.3 Construction costs - 100% A shift	1,000.00
8.4 Construction costs - 100% A shift	1,000.00

4.7 Maintenance costs - 100% A shift	1,000.00
4.7.1 Maintenance costs - 100% A shift	1,000.00
4.7.2 Maintenance costs - 100% A shift	1,000.00
4.7.3 Maintenance costs - 100% A shift	1,000.00
4.7.4 Maintenance costs - 100% A shift	1,000.00
4.7.5 Maintenance costs - 100% A shift	1,000.00
4.7.6 Maintenance costs - 100% A shift	1,000.00
4.7.7 Maintenance costs - 100% A shift	1,000.00
4.7.8 Maintenance costs - 100% A shift	1,000.00
4.7.9 Maintenance costs - 100% A shift	1,000.00
4.7.10 Maintenance costs - 100% A shift	1,000.00

4.8 Maintenance costs - 100% A shift	1,000.00
4.8.1 Maintenance costs - 100% A shift	1,000.00
4.8.2 Maintenance costs - 100% A shift	1,000.00
4.8.3 Maintenance costs - 100% A shift	1,000.00
4.8.4 Maintenance costs - 100% A shift	1,000.00
4.8.5 Maintenance costs - 100% A shift	1,000.00
4.8.6 Maintenance costs - 100% A shift	1,000.00
4.8.7 Maintenance costs - 100% A shift	1,000.00
4.8.8 Maintenance costs - 100% A shift	1,000.00
4.8.9 Maintenance costs - 100% A shift	1,000.00
4.8.10 Maintenance costs - 100% A shift	1,000.00

4.9 Maintenance costs - 100% A shift	1,000.00
4.9.1 Maintenance costs - 100% A shift	1,000.00
4.9.2 Maintenance costs - 100% A shift	1,000.00
4.9.3 Maintenance costs - 100% A shift	1,000.00
4.9.4 Maintenance costs - 100% A shift	1,000.00
4.9.5 Maintenance costs - 100% A shift	1,000.00
4.9.6 Maintenance costs - 100% A shift	1,000.00
4.9.7 Maintenance costs - 100% A shift	1,000.00
4.9.8 Maintenance costs - 100% A shift	1,000.00
4.9.9 Maintenance costs - 100% A shift	1,000.00
4.9.10 Maintenance costs - 100% A shift	1,000.00

C. CAPITAL COSTS

1. Plant & Equipment costs	\$ 1,000.00
1.1 Plant & Equipment costs - 100% A shift	1,000.00
1.2 Plant & Equipment costs - 100% A shift	1,000.00
1.3 Plant & Equipment costs - 100% A shift	1,000.00
1.4 Plant & Equipment costs - 100% A shift	1,000.00

D. CAPITAL PROJECTS

1.1 Capital projects - 100% A shift	1,000.00
1.2 Capital projects - 100% A shift	1,000.00
1.3 Capital projects - 100% A shift	1,000.00
1.4 Capital projects - 100% A shift	1,000.00
1.5 Capital projects - 100% A shift	1,000.00

INCOME DETAIL

Australian Government contribution	200,000.00
Capital costs	1,000.00
Other income	-
Provisional - Capital funding, grants etc.	1,000.00
Total	202,000.00

EXPENDITURE DETAIL	
<b>A. RECURRENT COSTS</b>	
1. Staffing costs	\$ 10,000,000
1.1 Salaries	
1.1a Manager & Analysts	1,500,000.00
1.1b Admin. Support	14,000,000.00
1.1c Other	45,000,000.00
	<u>60,500,000.00</u>
1.2 Benefits	
1.2a Pension - FICA & other	10,000,000.00
1.3 Staff Allowances	
1.3a Travel Allowance - Manager	400,000.00
1.3b Other (Travel, Housing)	100,000.00
1.4 Other (Travel, Housing)	
1.4a Travel - Manager	5,000,000.00
1.4b Travel - Analysts	5,000,000.00
1.4c Other (Travel, Housing) - staff	1,000,000.00
1.4d Other (Travel, Housing) - staff (staff)	1,000,000.00
1.5 Workers Compensation	
1.5a Workers Compensation - Manager, Analysts	1,000,000.00
1.6 Other (Travel, Housing)	
1.6a Other (Travel, Housing) - Manager	100,000.00
1.7 Training & Development	
1.7a Training - Manager, Analysts	1,000,000.00
	<u>7,500,000.00</u>
2. Administrative costs	\$ 15,000,000
2.1 Information Systems - 2000, 2001, 2002, The Alpha & Beta & Gamma & Delta & Epsilon & Zeta	5,000,000.00
2.1a Hardware - PCs	5,000,000.00
2.1b Software - Hardware (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1c Other - PCs	5,000,000.00
2.1d Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1e Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1f Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1g Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1h Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1i Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1j Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1k Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1l Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1m Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1n Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1o Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1p Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1q Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1r Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1s Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1t Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1u Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1v Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1w Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1x Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1y Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
2.1z Other - other (printing - computer, paper, ink, etc. applications etc)	5,000,000.00
	<u>15,000,000.00</u>
<b>B. PROJECT COSTS</b>	
3. Transportation costs	\$ 10,000,000
3.1 Vehicle fleet costs - fuel	5,000,000.00
3.2 Vehicle fleet insurance costs - fuel	5,000,000.00
3.3 Fuel & oil - fuel	5,000,000.00
4. Core Business costs - Corporate & Strategic	\$ 10,000,000
4.1 Information costs	
4.1a Information costs	1,000,000.00
4.1b Information costs	1,000,000.00
4.1c Information costs	1,000,000.00
4.1d Information costs	1,000,000.00
4.1e Information costs	1,000,000.00
4.1f Information costs	1,000,000.00
4.1g Information costs	1,000,000.00
4.1h Information costs	1,000,000.00
4.1i Information costs	1,000,000.00
4.1j Information costs	1,000,000.00
4.1k Information costs	1,000,000.00
4.1l Information costs	1,000,000.00
4.1m Information costs	1,000,000.00
4.1n Information costs	1,000,000.00
4.1o Information costs	1,000,000.00
4.1p Information costs	1,000,000.00
4.1q Information costs	1,000,000.00
4.1r Information costs	1,000,000.00
4.1s Information costs	1,000,000.00
4.1t Information costs	1,000,000.00
4.1u Information costs	1,000,000.00
4.1v Information costs	1,000,000.00
4.1w Information costs	1,000,000.00
4.1x Information costs	1,000,000.00
4.1y Information costs	1,000,000.00
4.1z Information costs	1,000,000.00
4.2 Strategic costs	
4.2a Strategic costs	1,000,000.00
4.2b Strategic costs	1,000,000.00
4.2c Strategic costs	1,000,000.00
4.2d Strategic costs	1,000,000.00
4.2e Strategic costs	1,000,000.00
4.2f Strategic costs	1,000,000.00
4.2g Strategic costs	1,000,000.00
4.2h Strategic costs	1,000,000.00
4.2i Strategic costs	1,000,000.00
4.2j Strategic costs	1,000,000.00
4.2k Strategic costs	1,000,000.00
4.2l Strategic costs	1,000,000.00
4.2m Strategic costs	1,000,000.00
4.2n Strategic costs	1,000,000.00
4.2o Strategic costs	1,000,000.00

INCOME DETAIL	
Autism and Developmental Disabilities	176,000.00
Health and Human Services Administration	450,000.00
Commercial Services	10,000.00
Professional - Capital Spending, Grants and	0
Agencies and Services	0.00
	<hr/>
	736,000.00

MOU C - RESEARCH & INTERPRETATION

**EXPENDITURE DETAIL**

**A. RECURRENT COSTS**

<b>1. Staffing costs</b>	<b>46,100.00</b>
1.1 Wages	
Admin Assistant	40,000.00
Anglo Assistant	25,500.00
	<u>65,500.00</u>
1.2 Overtime	
Admin - 100% staff	500.00
	<u>500.00</u>
1.3 STAFF Allowances	
1.4 Staff entitlements	
Travel - Admin & Anglo	2,500.00
Other expenses - Ang staff	2,500.00
	<u>5,000.00</u>
1.5 Station & Communication	
Mobile Communication - Admin, Anglo	1,000.00
	<u>1,000.00</u>
1.6 Professionalising	
1.7 Training & Development	
Training - Admin, Anglo	500.00
	<u>500.00</u>
<b>2. Administrative costs</b>	<b>48,100.00</b>
2.1 Telecommunications - 2000, 4000	2,500.00
2.2 Electricity - No 3	5,000.00
2.3 Printing/ computer/ printing - Internet, Home work, etc. - stationary etc.	1,000.00
2.4 Water - No 3	200.00
2.5 Cleaning, cleaning material, toilet paper, hand soap	5,000.00
2.6 Staff facilities	2,000.00
2.7 Maintenance & subscriptions	500.00
2.8 Office Appliances	
2.9 Professional liability insurance	

**B. PROJECT COSTS**

<b>3. Transportation costs</b>	<b>25,200.00</b>
3.1 Vehicle hire costs	
3.2 Vehicle Maintenance costs	
3.3 Fuel & Oil	
<b>4. Core Research costs - Research &amp; Interpretation</b>	<b>25,200.00</b>
4.1 KAPPA Analysis	
Station work & printing - Green Pastures	5,000.00
	<u>5,000.00</u>
4.2 KAPPA Research Centre	
Research expenditure	10,000.00
Operating costs - paper, ink etc.	5,000.00
	<u>15,000.00</u>
4.3 KAPPA Interpretation, Education & Events	
Other projects - research theory design & data interpretation	1,000.00
Other projects - printing	10,000.00
Events - Foundation Day	2,000.00
Events - Heritage week	2,000.00
	<u>15,000.00</u>

**C. CAPITAL COSTS**

<b>5. Plant &amp; Equipment costs</b>	<b>200.00</b>
5.1 Plant & equipment purchased	
5.2 Plant & equipment maintenance costs	200.00
5.3 Depreciation	
<b>6. Capital Projects</b>	<b>0.00</b>
6.1	

**INCOME DETAIL**

Local Govt. Departmental contribution	46,100.00
Norfolk Island Government contribution	65,500.00
Commercial activities - 100%	15,000.00
Administration - Capital funding, grants etc.	
Application of funds	<u>126,600.00</u>

*BF*

## MOD 0 - GROUNDS &amp; FACILITIES

## EXPENDITURE DETAIL

## A. RECURRENT COSTS

1. Staffing costs	\$	166,500.00
1.1 Wages		
Contract Staff		87,250.00
Salary Scale		18,250.00
Penalties		10,000.00
Relief Staff		60,000.00
		175,500.00
1.2 Overtime		
Overtime - MOD staff		5,000.00
1.3 Staff Allowances		
1.4 Staff Expenses		
Concussion - Laundry, Dry, & Rail		7,000.00
Arrears - any staff		1,000.00
Long Service Leave - any staff		
		78,250.00
1.5 Workers Compensation		
Workers Compensation - Laundry, Dry, & Rail		2,250.00
1.6 Protective Clothing		
Protective Clothing - Laundry, Dry, & Rail		1,000.00
1.7 Training & Development		
Training - Laundry, Dry, & Rail		2,000.00
2. Administrative costs	\$	368.00
2.1 Telecommunications		
2.2 Electricity		
2.3 Stationery/ printing/ postage - various		150.00
2.4 Water		
2.5 Cleaning, cleaning materials, toilet paper, handwash		200.00
2.6 Staff facilities		
2.7 Memberships & subscriptions		
2.8 Service Agreements		
2.9 Professional services consultancy		

## B. PROJECT COSTS

3. Transportation costs	\$	
3.1 Vehicle hire costs		
3.2 Vehicle Maintenance costs		
3.3 Fuel & Oil		
4. Core Business costs - Grounds & Public Facilities	\$	14,000.00
4.1 Infrastructure maintenance		
Repos - 60% A & B only		500.00
Repos - 40% A & B only		13,500.00
		14,000.00
4.2 Grounds & Gardens maintenance		
Plants & garden materials		2,500.00
4.3 Roads & Car parks		

## C. CAPITAL COSTS

5. Plant & Equipment costs	\$	40,000.00
5.1 Plant & equipment purchases		
Replacement of vehicle engines		40,000.00
5.2 Plant & equipment maintenance costs		
Vehicle AC3, Subaru (2011)		500.00
Fuel & Oil - Vehicle AC3, Subaru (2011)		2,000.00
		2,500.00
5.3 Depreciation		
6. Capital Projects	\$	
6.1		

## INCOME DETAIL

Norfolk Island Government contribution	42,700.00
External works	
Miscellaneous sale of flowers	17,000.00
Appropriation Account	100,000.00
	\$ 169,700.00