

Rural and Regional Affairs and Transport

Lead/Support contact: SARAH VANDENBROEK/AARON O'NEILL

SB23-000612

SUBJECT: Norfolk Island Key Issues**Talking Points**

- Sea freight security remains a key priority for the Australian Government. The Government is subsidising a short-term barge service from November 2022 to April 2023, after which Neptune Pacific Direct Line will begin a new service without Government funding.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts underwrites passenger flight services from mainland Australia to Norfolk Island. The current contracted provider is Qantas, until March 2026.
- The department is working with the Norfolk Island community to determine improvements that may be made to governance and local decision making on Norfolk Island while the Norfolk Island Regional Council remains under administration.
- In February 2023, the Joint Standing Committee on the National Capital and External Territories commenced an inquiry into local government models and equitable revenue sources to support the Norfolk Island Regional Council.

Key Issues

Services to Norfolk Island Program funding allocation (\$ million)					
	2022-23	2023-24	2024-25	2025-26	2027-28
Total Funding	96.1	87.1	74.4	65.4	66.7

Budget funding extracted from the Portfolio Budget Statements 2023-24.

Air Services

- Norfolk Island's regular air passenger service is underwritten by the Government, and is currently provided by Qantas.
- Norfolk Island's regular air freight service is underwritten and subsidised by the Government, and is currently provided by Toll Remote.
- These services ensure that essential transport and supply links are maintained for the benefit and health of the Norfolk Island community and visitors.
- In March 2023, the department finalised the procurement process for a long-term supplier for air passenger services. The successful tenderer was Qantas, with an initial contract period until March 2026.

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

Version Number: 01

Date: 11/04/2023

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Sea freight

- The continued availability and longer-term security of sea freight services to Norfolk Island is a key priority of the Government.
- Norfolk Island's current shipping service is not meeting demand for sea freight, and voyages are heavily dependent on favourable weather conditions and vessel commitments elsewhere.
- In September 2022 the Government agreed to provide financial support to the shipping company servicing Norfolk Island, Neptune Pacific Direct Line (NPDL), to run a short-term barge service from Brisbane to Norfolk Island until April 2023.
- This support covers fuel and mobilisation costs, with additional liability in the event of demurrage fees in case of delays. The balance of operating costs is paid for through freight tariffs, and the service is not underwritten by the Government if it runs at a loss.
- To date, we have paid no demurrage fees, \$110,000 for mobilisation, and fuel costs averaging \$96,000 per voyage. Total cost to date is \$495,000 over four voyages, with an expected cost of \$190,000 for the remainder of the agreement (six voyages total).
- This service has reduced the need for the Government to subsidise air freight, providing greater value for money while increasing the supply of sea freight for the community.
- During 2022, the department worked with Toll to mobilise eight additional heavily-subsidised air freighters to ensure the continuous delivery of critical goods such as animal feed and food supplies. The barge service has removed the need for these flights.
- The proportionate cost to the Government is \$150 per revenue tonne (RVT) of sea freight with the barge service, compared with \$4,600 per RVT of heavily subsidised air freight. In terms of capacity, the same approximate cost (\$80,000-\$100,000) would support 15 RVT of air cargo, or 900 RVT of sea cargo.
- On 14 November 2022 NPDL announced that it was in the process of purchasing a new vessel that would begin a regular shipping service between Norfolk Island, Brisbane, and Auckland. The service is scheduled to begin in early June 2023.
- This service is being run without any Government financial support. We expect that the more frequent sea freight deliveries will lead to a reduction in normal air freight demand, which will result in lower costs for the underwritten Toll service.

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Water Quality

- Water quality in Emily Bay is a long-standing issue. The Government, through the department and Parks Australia, is working closely with Norfolk Island Regional Council to improve water quality.
- The department has committed funding for water quality improvement activities since FY20-21, including in the Kingston and Arthur's Vale Historical Area and to support the Norfolk Island Regional Council to upgrade wastewater infrastructure.
- Key projects and initiatives include:
 - Extension of the sewer system, due for completion in FY24-25, which will connect commonwealth buildings in KAVHA
 - The development of a water quality monitoring program to inform future interventions
 - Repair and regular maintenance of commonwealth septic tanks
 - The design of a permanent weir and installation of leaky weirs in the Kingston catchment to reduce the flow of surface waters into the reef
 - The design of a new waste water treatment plant and expansion of the sewer network to incorporate high risk private properties
- These measures will reduce the contamination of both surface and ground water in the Kingston catchment, and ultimately the reef.
- In September 2022 a green sea turtle was rescued from Norfolk Marine Park and taken into care by Parks Australia. The Norfolk Island community took a great interest in Doris the Turtle, and a number of volunteers helped with rehabilitation.
- The exact cause of the turtle's ill health was not identified, as an autopsy was required for a precise diagnosis. Parks Australia have indicated that the likely cause was soft shell disease, linked to poor water quality.
- Doris recovered well and was released back into the ocean earlier this year.
- Community awareness and education initiatives will be instrumental in making further improvements to water quality.

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Inquiry into local government models and equitable revenue sources to support the Norfolk Island Regional Council

- Minister McBain referred an inquiry to the Joint Standing Committee on the National Capital and External Territories on 7 February 2023, asking the Committee to inquire into and report on local government models and equitable revenue sources to support the Norfolk Island Regional Council.
- The Committee invited written submissions from interested persons and organisations. The Committee received 28 submissions, some of which are confidential. The department made a submission, which is available on the Committee web page.
- The Committee has held public hearings in Canberra on 28 March 2023 and on Norfolk Island on 4-5 April 2023. The department appeared at the public hearing in Canberra.
- The Committee has not yet indicated when it will deliver its report.

Governance Modernisation / Empowering Local Communities

- The department has commenced work towards establishing a Norfolk Island Governance Committee. This work will involve extensive consultation with the Norfolk Island community and key stakeholders such as the Council of Elders and the Norfolk Island People for Democracy.
- This committee will include community-elected representatives and provide a formal avenue for local community input into governance matters and the delivery of government services on the island.
- With the administration period for the Norfolk Island Regional Council currently due to end in December 2024, the committee will provide a formal avenue for civic participation by the Norfolk Island community in government decisions that affect the community.

Appointment of Administrator

- Following the department undertaking a merit-based process to identify suitable candidates for the role of the Administrator, the Government is now in the process of considering a successful applicant.
- The incumbent Administrator's term has been extended and will expire on the appointment of a new Administrator or by 30 June 2023, whichever is earliest.

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SB23-000612

Background

Since 1 July 2016, Norfolk Island residents have had access to Government support payments and services including Medicare, the age pension, disability pension, child support and Newstart Allowance (now Jobseeker).

The Government has responsibility for delivering state-type services to Norfolk Island:

- The Government provides policing through the Australian Federal Police.
- The Queensland Government provides health support and education services under the Intergovernmental Partnership Agreement on State Service Delivery to Norfolk Island.
 - The agreement establishes an enduring partnership that provides stability and certainty in essential service delivery on Norfolk Island.
 - It allows for the extension of state services, and work is underway to scope additional services that Queensland may deliver to Norfolk Island in future.
- Child protection and family wellbeing services, workers' compensation, ambulance and education support services are provided under contracts by private sector organisations.
- Health and aged care services are delivered through a Service Delivery Agreement with the Norfolk Island Health and Residential Aged Care Service.
- Coronial and tribunal services are delivered by a statutory office holder.
- A number of state-type services are provided through a Service Delivery Agreement with the Norfolk Island Regional Council, including courts and legal services and port management.

The Government has made significant progress since 2016 on improving infrastructure and delivering essential services to the Norfolk Island community.

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Financial Information as at 31 March 2023

Program Start/End Date:	Ongoing					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget*	96.1	87.1	74.4	65.4	66.7	389.7
Less:						
Actual Expenditure YTD at 31 March 2023	54.7					
Total Committed Funds at 31 March 2023*	19.3	5.8	1.8	15.4	0	42.3
Total Uncommitted Funds (balance)	22.1	81.3	72.6	50.0	66.7	292.7

Note:* 1) Budget funding is extracted from the Portfolio Budget Statements 2023-24.

*2) Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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SB23-000613

SUBJECT: Norfolk Island Regional Council**Talking Points**Norfolk Island Regional Council (Council) and its Responsibilities

- Following a Public Inquiry held in 2021, elected councillors were dismissed and an Administrator Mr Mike Colreavy was appointed for a 3-year term until December 2024.
- The Administrator has all the functions of the council, including all the functions of a councillor and the Mayor. During this period, the Council is expected to undertake reforms to strengthen its operations, performance and financial sustainability.
- No date has been set for when Council elections will be held. Should the circumstances allow, the administration period could be reduced pending a decision of Government, and an election could be held earlier than December 2024.
- The Australian Government and Council remain committed to working together for the long-term, sustainable governance of the Norfolk Island community.

Rates and Waste Management Charges

- On 5 July 2022, in response to community feedback, the Minister and the Council Administrator agreed to stagger increases in rates and waste management charges over multiple financial years.
- The Government is providing \$1 million of additional funding in both 2022-23 and 2023-24 to support this staged introduction.

Liquor Bond

- On 3 March 2023, the Administrator, Eric Hutchinson advised the Minister that he exercised his power under the Liquor Act 2005 (NI) to allow licensed premises on Norfolk Island to import liquor for resale purposes.

Key IssuesThe Council and its responsibilities

- The Council provides a broad range of local government services, including road maintenance and waste management.
- The Council also provides some state-type services, such as the operation of the Norfolk Island International Airport, telecommunications services, ports management and the electricity generation and distribution service.

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- The Council expects to run a surplus of \$0.5 million in 2022-23. This will assist in restoring working capital of \$8 million, as recommended in the 2020 independent audit of the Council's financial performance.

Rates and Waste Management Charges

- The Council released their Operational Plan for 2023-24 for public display and consultation during an extraordinary Council meeting on 12 April 2023.
- This Operational plan details the proposed Rates and Waste Management revenue for 2023-24. A seven-week consultation period, ending 1 June 2023 has been proposed for the Community to make submissions.
- In 2022-23, rating categories increased from 4 to 23 sub categories, allowing rates to be distributed in a more equitable and sustainable way. In 2023-24, Council propose to retain the existing rating categories.

Electricity Subsidy

- The cost of diesel increased by 40 percent for Council in the first quarter of 2022-23. The Council made provision in its 2022-23 Budget for an increase in diesel costs, however the increase was higher than expected and the provision wasn't sufficient.
- The Australian Government is providing a temporary subsidy to Norfolk Island Regional Council to relieve the impact of increased diesel fuel prices on electricity charges.
- A quarterly subsidy of \$200,000 has been provided in the first two quarters of 2022-23. This is an interim arrangement while Norfolk Island makes the transition to renewable power, supported by the Australian Government's \$5.3 million investment in improvements to Norfolk Island's electricity network including the roll-out of solar infrastructure.
- The subsidy allows council to maintain power costs at \$0.72 cents a kilowatt, rather than pass on increase to the Norfolk Island consumers.

BackgroundDismissal of elected members and appointment of Administrator

- In late 2020 the Government received independent audit reports from Nexia Australia and Grassroots Connections Australia making over 100 recommendations related to the Council's governance, financial performance, financial sustainability, and operations.
- On 3 February 2021, with regard to the two audit reports and submissions made by Council, the then Assistant Minister for Regional Development and Territories suspended the elected members.

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- On 9 February 2021, Ms Carolyn McNally was appointed as commissioner to conduct a Public Inquiry into the Council. The Public Inquiry report, presented on 4 November 2021, identified significant instances where the Council did not manage its finances in accordance with the principles of effective financial and asset management.
- On 6 December 2021, having regard to the Public Inquiry report, the then Assistant Minister for Regional Development and Territories dismissed the elected members of Council.
- Also, on 6 December 2021, Mr Michael Colreavy was appointed as Council Administrator until December 2024.
- Mr Colreavy, has served in local government and financial management roles for more than 37 years, including 12 years as a council general manager and 20 years as a member of a council executive management team.
 - A detailed timeline is at **Attachment A**.

Council Rates and Waste Charges

- Rates and waste management charges are an important mechanism for the council as an equitable revenue source. They support service provision and maintenance of critical infrastructure.
- Until 2016-17, Norfolk Island property owners did not pay land rates. Since introduction, rates have increased at an average of 2.8 per cent per year. Initially, rates were non-value-based property levies, from 2018-19 an ad valorem component was added.
- Rates and charges are increasing from a very low base and the additional costs imposed on the community are critical for the ongoing financial sustainability of the Council. A review of land values under the Land Valuation Act 2012 (NI) was undertaken in early 2022. Regardless of changes to rating arrangements, rates on individual properties will change in line with new valuations.
- Some in the Norfolk Island community are strongly opposed to revenue raising through rates. They claim that rates are not appropriate for Norfolk Island due to cultural views that land is not owned by individuals but rather handed down through generations.
- Of the 1897 rates notices issued to residents, 326 properties are yet to make any payments for the 2022-23 financial year.
- Council has previously supported payment plans for those experiencing hardship. Rebates also apply to eligible pensioners.
- If rates remain unpaid, there will be impacts to Council service delivery and the remediation of External Audit Findings. The financial impacts to council will be significant and may hinder Council's transition to sustainability.

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Attachment

- Attachment A – Norfolk Island Regional Council / DITRDCA Events

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Version Number: 01

Date: 11/04/2023

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TERR BPB03

NORFOLK ISLAND WATER QUALITY

Key Points

- Poor water quality in the Kingston area has been attributed to heavy rainfall mobilising contaminants, old and unmaintained sewerage infrastructure and unrestricted livestock grazing.
- The Government is undertaking a number of actions to improve water quality in the immediate and long term.
- Management of water quality on Norfolk Island is a complex issue. The department, Parks Australia, and Norfolk Island Regional Council are working collaboratively to improve water quality.
- In September 2022, a green sea turtle referred to as Doris was rescued from Norfolk Marine Park and taken into care by Parks Australia. Doris responded well to treatment and was released back into the ocean on 20 January 2023.

Background

The majority of Norfolk Island properties (80%) rely upon septic systems, with the remaining (20%) connected to the town sewer. A large number of individual septic systems are beyond serviceable life and would not meet current standards applied on the mainland. Overflow and seepage from septic systems results in contaminated ground and surface water flowing into the ocean.

Impacts of poor water quality

Poor water quality enters Norfolk Marine Park at Emily Bay after heavy rainfall events. The run-off of waste water into the bay poses health, economic and environmental concerns. Emily Bay is the main swimming beach on the Island, is important for community recreation and is a popular tourist attraction that features heavily in promotional material.

The discharge of polluted water also poses a risk for the Marine Park's ecosystem health and marine species. The reef provides habitat for listed species under the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth). Parks Australia can provide further detail on the reef health.

The department's actions on water quality

The department has focused efforts on improving wastewater infrastructure and sewage management in the Kingston and Arthur's Vale Historic Area (KAVHA), which directly borders Emily and Slaughter Bays. The department has also funded an island-wide water quality monitoring program.

Funded improvements include:

- Extension of the sewer system, due for completion in 2024-25, which will connect to Commonwealth buildings in KAVHA (\$5.8 million)
- The development of a water quality monitoring program to inform future interventions (\$0.8 million)
- Repair and regular maintenance of Commonwealth septic tanks in KAVHA (\$0.4 million to date)
- The design of a permanent weir and installation of leaky weirs in the Kingston catchment to reduce the flow of surface waters into the reef (\$0.05 million)
- The design of a new waste water treatment plant and expansion of the sewer network to incorporate high risk private properties (\$1.8 million)

Back Pocket Brief – May 2023Doris the Sea Turtle

In September 2022, a green sea turtle referred to as Doris was rescued from Norfolk Marine Park and taken into care by Parks Australia. Doris was cared for by a Parks Australia representative and veterinarians on island and released back into the ocean on 20 January 2023.

Any questions about Doris should be directed to Parks Australia.

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TERR BPB04

NORFOLK ISLAND SERVICE DELIVERY

Key Points

- Essential state services are delivered to the Norfolk Island community by a number of providers, including the Queensland Government and the Norfolk Island Regional Council.

Partnership with Queensland

- The Queensland Government provides health support and education services under the Intergovernmental Partnership Agreement on State Service Delivery to Norfolk Island.
- The agreement established an enduring partnership that provides stability and certainty in service delivery on Norfolk Island, and allows for the extension of services over time.
- Queensland is a strong fit to provide state services to Norfolk Island, with extensive experience delivering high quality state services in remote and island settings.
- The Department is working with Queensland to scope additional services Queensland may deliver to Norfolk Island in future, with a view to engaging with the community on potential additional services later in 2023.

Norfolk Island Regional Council

- The Norfolk Island Regional Council delivers some state-type services on behalf of the Government under a Service Delivery Agreement. [See SB23-000613 for further information.]

Background**New funding provided in 2023-24 Budget**

In the 2023-24 Budget, the Government provided \$0.7 million in 2023-24 to the Department to progress necessary work with Queensland and the Norfolk Island community for additional state services. This funding is in addition to funding provided for services Queensland is already delivering.

Partnership with Queensland

The Australian and Queensland Governments signed the Intergovernmental Agreement on State Service Delivery to Norfolk Island (IGA) on 22 October 2021. Delivery of priority health support and education services to the Norfolk Island community commenced on 1 January 2022. The IGA established a partnership whereby Queensland delivers essential services to the Norfolk Island community, with a commitment to explore the provision of additional services over time. The Government compensates Queensland for costs incurred in providing services (see table).

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Health support services

The Norfolk Island Health and Residential Aged Care Service (NIHRACS) continues to deliver care for those seeking health and aged care services on Norfolk Island under a tripartite Multi-Purpose Service (MPS) Agreement with the Department and the Department of Health and Aged Care. Queensland Health and the Metro North Hospital and Health Service provide oversight and support to the on-island health service.

NIHRACS, the Department and Queensland agencies continue to collaborate on the application of the National Safety and Quality in Health Service Standards (including the MPS Aged Care Module) in preparation for NIHRACS' accreditation against these standards.

Aged Care services on Norfolk Island are under constant pressure, as the result of a higher proportion of the community being over the age of 60 years old (34.4% in 2021 census compared with the national average of 23%).

Through a grant under the MPS Program, NIHRACS is undertaking minor capital works to improve residential aged care facilities, that keep up with national standards. To date, 3 bedrooms and a bathroom have been refurbished with further work to be completed by 30 June 2023.

Major capital works are planned for the next 12 months to relocate existing services to further improve the residential aged care environment.

Education services

The Queensland Department of Education (DoE) operates the Norfolk Island Central School. DoE's Darling Downs South West Region provides operational support for the school's teachers and staff.

Apprenticeships and traineeships

The Queensland Department of Employment, Small Business, and Training registers and monitors apprenticeship and traineeship contracts on Norfolk Island that commenced on or after 1 January 2022. This arrangement supports Norfolk Island residents to train or retrain in a vocation, and businesses who need more skilled workers.

Service gaps and potential additional services

Delivery of many state-type services on NI remains limited and bespoke, and other essential services available elsewhere in Australia are not delivered at all.

The IGA provides a mechanism for the Australian and Queensland governments to explore delivery options for the provision of other state-level services to Norfolk Island in the future. Work is currently under way to scope service gaps and jointly plan for services required urgently. The intention is to undertake community engagement on potential additional services later in 2023.

A number of legislative and service delivery gaps exist including corrective services, public guardianship, work health and safety regulation, occupational licensing, state-level biosecurity services, port management and access to some grants. The Department and Queensland are making meaningful inroads to define the way Queensland may be able to support service improvements, subject to Queensland Government approval, in advance of community engagement.

s47B(b)

. In the meantime, the Department continues to work with New South Wales on continuity of corrective services.

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Version Number: 01

Date: XX May 2023

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TERR BPB05

NORFOLK ISLAND – FREIGHT SECURITY

Key Points

- Commercial sea freight services to Norfolk Island have not met demand for several years.
- Since 2019, the Government has underwritten regular air freight services and facilitated additional sea freight services to address freight shortages.
- In the 2022-23 Budget, the Australian Government committed \$11.7 million over three years from 2022-23 to support the delivery of containerised freight to Norfolk Island. This funding covers infrastructure (such as concrete hardstand and biosecurity facilities) and container handling facilities (such as forklifts).
- The Government is working with the Norfolk Island Regional Council (the Council) to provide alternate methods of unloading freight that increase the reliability of the freight schedule and address safety concerns.
- The longer-term focus is on developing infrastructure that enables container transfer onto the island.
- The Government continues to develop a Sustainable Shipping Strategy for Norfolk Island including robust, long-term infrastructure and a sustainable end-to-end shipping supply chain. The aim is to enable more reliable, regular and cheaper freight deliveries to Norfolk Island.

BackgroundAvailability of sea freight

The continued availability of sea freight services to Norfolk Island is a key priority for the Australian Government.

Sea freight delivery to Norfolk Island was relatively stable until 2018, when the MV Norfolk Guardian was decommissioned and not replaced. Shipping services to Norfolk Island have not met demand since this time.

Ships deliver breakbulk freight to Norfolk Island, in which pallets and bulky items are transferred to small lighter vessels that take the cargo to shore. Deliveries are dependent on favourable weather conditions and vessel commitments elsewhere.

Several factors are contributing to insufficient and unreliable freight services:

- Norfolk Island's inadequate port facilities restrict modern vessel types, the amount of freight per vessel and conditions in which freight can be unloaded;
- Lighterage is time-consuming and expensive, and requires specialised crane equipment; and
- Remoteness, harsh weather and a lack of suitable vessels make scheduling voyages complex.

The Government's long-term goal is to provide appropriate infrastructure on the island to support a reliable, sustainable, cost-effective shipping service that meets freight demand.

Immediate actions

Short term support measures are described in the Norfolk Island key issues brief (SB23-000612).

Medium-term solutions

The department is working towards a medium-term solution that will allow Norfolk Island to receive cargo in containers (providing substantial benefits to safety of crew and security of cargo). Fully containerised cargo will require a number of landside infrastructure improvements including a wash down bay to decontaminate containers and storage facilities.

Community feedback

The Minister held a public forum on island in November 2022, supported by a written Have Your Say process run by the Department, the results of which were published on our website.

The overwhelming feedback from the process was that:

- Freight security is key to the economic future of the community, and the Commonwealth should be investing in infrastructure to reduce freight costs and providing more security to shipping schedules and freight itself through containerisation.
- There is a mixed view in the community on the best location for a permanent port location:
 - For a single port, which would require heavy infrastructure investment, Cascade has the strongest community support.
 - For a multiple port approach, which would allow lighter infrastructure investment to provide more versatility to manage challenges like weather impacts, Ball Bay and Cascade would complement each other well.
 - Kingston presents a poor future option for major upgrades given heritage obligations towards KAVHA that begin at the shoreline, and the age of current infrastructure.
 - The west side of the island has the best weather conditions, but has no space that is naturally accessible by road due to cliffs, and would need major works to become viable. The necessary funding would be better spent on infrastructure in another location.
- We are currently considering the relative merits of a single port (Cascade) vs a dual port (Cascade and Ball Bay). Current restrictions on bringing heavy equipment and materials to island make any major upgrades prohibitive, and a second interim location in Ball Bay could reduce cost of the longer-term upgrades to Cascade to be overall cheaper than the single location, while providing earlier relief to the community by enabling container delivery.

Proposed landing in Ball Bay

The Council is considering building a landing at Ball Bay as an option to land freight barges. A business case has been presented to the department, and any proposed funding support by the Commonwealth would need to be considered by Government in due course.

Freight costs

The tariff rates for air and sea freight are determined by the respective commercial providers, and in many cases negotiated with individual clients so there isn't a single freight rate that could be provided. These figures are commercially sensitive, and not normally provided to the department, so we would need to confer with our service delivery partners before provide any estimates.

Port infrastructure investments will build towards making sea freight deliveries more efficient, quicker, and safer. All of these will reduce costs of deliveries for the shipping providers, which we expect will translate into lower tariff rates for customers. Lower tariffs for sea freight will also make

air freight less attractive by comparison, and those services will naturally reduce to delivering time-critical goods as the cost of shipping freight by sea becomes more financially attractive.

Work Health and Safety

The Commonwealth has a statutory obligation under section 19 of the *Work Health and Safety Act 2011* (Cth) to ensure, as far as reasonably practicable, the provision and maintenance of a work environment that is without risk to health and safety.

Given compliance and safety concerns regarding Norfolk Island port operations, the department will continue working with the Council, lighterage crews, stevedores, subject matter experts, Comcare and the Australian Maritime Safety Authority (AMSA), to ensure the safest possible practices and equipment are adopted in alignment with legal requirements.

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Version Number: 01

Date: XX May 2023

Back Pocket Brief – May 2023**TERR BPB06****NORFOLK ISLAND GOVERNANCE****Key Points**

- Norfolk Island is a non-self-governing territory of Australia, administered by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) on behalf of the Australian Government.
- The Norfolk Island Regional Council was placed into administration following a public inquiry into its operations in 2021. Council Administrator, Mr Mike Colreavy, was appointed for a three-year term to December 2024.
- In February 2023 the Joint Standing Committee on the National Capital and External Territories announced it is conducting an inquiry into appropriate models of local government for Norfolk Island, and equitable and sustainable revenue streams to support those models
- The department is engaged in ongoing conversations with community stakeholders about the future of governance for Norfolk Island and practical measures to improve opportunity for civic participation.

Joint Standing Committee Inquiry

- The Joint Standing Committee inquiry has generated considerable public interest on Norfolk Island.
- The department appeared at a public hearing on 28 March 2023 and has made a submission to the inquiry. The Hansard of the department's appearance and its submission are available on the Joint Standing Committee web page.
- The Joint Standing Committee has not yet indicated when it expects to deliver its report.

Norfolk Island Governance Committee

- In December 2022, the Hon Kristy McBain MP, Minister for Regional Development, Local Government and Territories, committed to establishing a Norfolk Island Governance Committee to provide a formal avenue for civic participation by the local community while the Norfolk Island Regional Council is under administration.
- The department is currently consulting with community groups about the proposed Governance Committee.
- The proposed membership of the Governance Committee will include the Norfolk Island Administrator, representing the minister, as well as representatives from the department and the Queensland Department of Premier and Cabinet, and three community representatives elected through a community election process.
- The department expects the Governance Committee to meet for the first time in October 2023.

Background**Norfolk Island Regional Council**

- The Norfolk Island Regional Council entering administration has caused community concern about the lack of opportunity for civic participation for Norfolk Island residents.
- The current situation has exacerbated lingering community resentment about the 2015 abolition of self-government on Norfolk Island, which had been in operation since 1979.
- In February 2023, Minister McBain requested the Joint Standing Committee conduct and inquiry into local governance models for Norfolk Island, with a view to ascertaining whether a different model of local governance would deliver better outcomes for the Norfolk Island community.

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JSCNCET Inquiry

- There is considerable public interest and some anxiety regarding this inquiry, as the previous Joint Standing Committee inquiry into Norfolk Island matters in 2014 resulted in a bipartisan decision to abolish the island's self-government regime.
- The Joint Standing Committee received 32 submissions to its inquiry, noting some of these have supplementary submissions attached.
- In addition to the public hearing in Canberra on 28 March 2023, the Joint Standing Committee held public hearings on Norfolk Island on 4 April and 5 April 2023.
- Many of the submissions and hearing appearances of Norfolk Island residents have been advocating for a return to self-government. In relation to council revenue options, many submissions and witness statements advocate for a return to a GST-type levy in place of land rates.

Norfolk Island Governance Committee

- On 24 December 2022, Minister McBain announced her commitment to establishing the Norfolk Island Governance Committee.
- This proposal is based on a joint proposal presented by two key community groups, the Council of Elders (COE) and Norfolk Island People for Democracy (NIPD).
- The department is working with the COE and NIPD, along with the Queensland Government, to establish the NIGC.
- The purpose of the NIGC is to provide a formal avenue for the Norfolk Island community to provide input into setting priorities for government service delivery on Norfolk Island and shaping how those services are delivered.
- The department will conduct community consultation to ensure the NIGC meets community needs and expectations.
- The department expects to hold community elections for the community representative roles in August 2023, with the inaugural meeting to be held in October 2023.

Norfolk Island Preamble

- On 20 October 2022, Minister McBain announced her commitment to working with the Norfolk Island community to reinstate a preamble to the *Norfolk Island Act 1979* (the Norfolk Island Act).
- The department is working with the Norfolk Island Council of Elders, as the key representative body of Norfolk Islanders of Pitcairn descent, to draft updated text for the new preamble.
- Reinstating a preamble will recognise the relationship of descendants of the settlers from Pitcairn Island with Norfolk Island. It will also acknowledge their distinct traditions, culture and history that accompany this relationship.
- The preamble was removed from the Norfolk Island Act when self-government was abolished in 2015 as the preamble no longer reflected the Australian Government's intention for the governance of Norfolk Island.

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Version Number: 01

Date: 8 May 2023