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**Australian Government****Department of Infrastructure, Transport,
Regional Development, Communications, Sport and the Arts**

Financial Delegations (No.1) 2026

February 2026

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Financial Delegations (No.1) 2026



I, Jim Betts, Accountable Authority of the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, make this Instrument under, and for the purposes of:

- a) sections 20A and 110 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act);
 - b) section 24 of the *Government Procurement (Judicial Review) Act 2018*;
 - c) paragraphs 3 and 4 of Appendix C, and Appendix E, to the *Legal Services Directions 2017*; and
 - d) subsections 32D(3) and (4) of the *Financial Framework (Supplementary Powers) Act 1997* (the FFSP Act).
-

Signature:

A handwritten signature in blue ink that reads "Jim Betts".

Date: 05/02/2026

Secretary of the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

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1. Commencement

This Instrument takes effect on and from the date of signature.

2. Interpreting this Instrument

1. Terms used in this Instrument are defined in the Glossary at Schedule 8 to this Instrument.
2. All monetary limits specified in this Instrument are GST inclusive.
3. Material marked “Guidance notes” is for the purposes of guidance only and is not legally operative.

3. Delegations

1. I delegate the powers, functions or duties specified in each table in Schedules 1 to 7 to this Instrument, as follows:
 - a. the provisions listed in the table row labelled “Provisions” contain the powers, functions or duties that are delegated (the ***delegated powers***);
 - b. the delegated powers in each table column are delegated:
 - i. to officials from time to time occupying or performing the duties of an office or position specified down the left-hand side of the relevant table (the delegates), except where the corresponding table cell is greyed out; and
 - ii. subject to any conditions and limits mentioned in the column (as applicable), either in the table row labelled “Description of the power or function delegated” or in the table cell for the relevant delegate. (Where the exercise of a delegated power relates to an arrangement that does not involve a commitment of relevant money, disregard any conditions or limits relating to the amount or source of relevant money.)
2. Delegates must comply with all applicable directions specified in section 4 of this Instrument when exercising a delegated power.

4. Directions

Directions that apply to the exercise of a power, performance of a function or discharge of a duty delegated under this instrument (‘delegations’)

1. A delegate may exercise a delegation only in relation to matters within the delegate’s responsibilities in the department. (For the avoidance of doubt, the delegate’s responsibilities include any responsibilities that have been temporarily assigned to them, whether under a formal acting arrangement or otherwise).

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2. Before exercising a delegation, a delegate must make any reasonable inquiries necessary to ensure the delegate is appropriately informed on all relevant matters, including, where necessary, by consulting persons with appropriate expertise within or external to the department. A delegate must record in writing any advice sought (and received).
3. A delegate must ensure that any exercise of a delegation promotes the proper use and management of public resources within the meaning of section 15 of the PGPA Act, and is not inconsistent with the policies of the Australian Government.
4. A delegate must comply with any applicable instructions or other directions given by the Accountable Authority, such as any applicable AAs relevant to exercising the particular delegation.
5. A delegate must comply with any conditions and limits that apply to delegates in their office or position or at their classification level in relation to the delegation, as specified in the relevant table column in the Schedules.
6. When exercising a delegation, a delegate must record in writing their decision, the reasons for the decision, their name, their office or position, and the fact that they are acting in the capacity of delegate of the Accountable Authority. The delegate may use discretion when determining the level of detail to be included in the reasons, after considering the level of risk associated with the decision. This direction does not require the delegate to separately record information that has been automatically recorded by an automated system.
7. A delegate who has purported to exercise a delegation when they did not hold the relevant delegation, or who has breached a requirement of this delegation instrument, must promptly report the breach in writing to their manager and the Financial Governance and Procurement team at Financial.governance@infrastructure.gov.au.

Additional directions that apply to delegations relating to a commitment of relevant money or entering into, varying or administering an arrangement

8. For both administered expenditure and departmental expenditure, a delegate must only approve a commitment of relevant money where there are funds available. A delegate can confirm funds availability with relevant Finance Business Partner (for departmental expenses) or Divisional Support Unit (for administered expenses) as required.
9. A delegate must not approve a commitment of relevant money from a cost centre for which the delegate is not responsible unless specifically stated or agreed by the relevant responsible party.
10. Only SES can approve a commitment of relevant money in the forward estimates.
11. A delegate other than an SES 3, SES 2 or Finance SES must not approve a commitment of relevant money beyond the forward estimates. An SES 3, SES 2 or Finance SES 1 may only do so if they are satisfied that the commitment as a whole is likely to be financially sustainable.
12. A delegate must not approve payment of a grant unless the payment is made pursuant to a written and executed grant agreement or deed.
13. A delegate must not enter into, vary or administer an arrangement if the arrangement involves a commitment of relevant money and that commitment has not been approved by an appropriate delegate. A single official may be able to approve both the commitment of relevant money and the entry into, variation or administration of the arrangement if they hold sufficient delegations under both Schedules 1 and 2 to this instrument.
14. A delegate must not enter into, vary or administer an arrangement on behalf of another Commonwealth entity.

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15. A delegate must not enter into, vary or administer an arrangement for the receipt, custody or expenditure of other Consolidated Revenue Fund (CRF) money by a person who is outside of the Commonwealth unless the COO, the CFO or a Finance SES 1 has:
 - a. confirmed in writing they are satisfied that the arrangement meets the requirements of subsection 29(2) of the PGPA Rule; and
 - b. provided written approval of the arrangement.

Additional directions that apply to matters for which Finance Minister or Finance Secretary has responsibility

16. When exercising any of the following delegations, which are sub-delegations of powers delegated by the Minister for Finance, the delegate must comply with any directions issued by the Minister for Finance:
 - a. Schedule 4 (Delegations for Banking);
 - b. Column 1 of the table in Schedule 5 (Allowing payment of debt by instalments or deferral of debt payment);
 - c. Columns 2 and 3 of the table in Schedule 7 (Authorising a contingent liability);
 - d. Column 4 of the table in Schedule 7 (Authorising payment on person's death);
 - e. Column 7 of the table in Schedule 7 (Deciding there is no appropriation for a repayment); and
 - f. Column 1 of the table in Schedule 7 (Gifts of relevant property).
17. When exercising a delegation under item 29 of the table in Schedule 6 (Preparing budget estimates), the delegate must comply with any directions issued by the Secretary of the Department of Finance.

Guidance notes

1. Delegates must comply with all applicable legislation when exercising a delegation. This includes legislation applying to them in their capacity as officials. See especially sections 25 to 29 of the PGPA Act and Part 2-2, Part 2-4 and section 29 of the PGPA Rule, the Commonwealth Procurement Rules and the Commonwealth Grant Rules and Principles.
2. The scope of a delegated power may be limited by the text of the provisions of the Act or instrument that contain the power. Therefore, when exercising a delegation, the delegate should always refer to the text of the relevant provisions. The relevant provisions are listed in the table rows labelled "Provisions" in the Schedules.
3. When exercising a delegation, delegates should also comply with any applicable internal policies of the department, noting that such policies may qualify the delegations specified in this instrument.
4. In exercising a delegated power, the delegate's judgement is independent and may be subject to legal review or administrative actions.
5. Where something is required to be in 'writing', this could be a signed brief or minute, an email, an electronic approval within an information system, signed purchase order or purchase order request.
6. For the Direction at subsection 4(3)—under the PGPA Act, "proper" when used in relation to the use and management of public resources means efficient, effective, economical and ethical.

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7. For the Direction at subsection 4(6)—for the purposes of recording the office or position held by the delegate when exercising a delegation, if the delegate is acting in another office or position, they should record the office or position they are acting in and the word "Acting", or "A/g", rather than recording their substantive position.
8. For the Direction at subsection 4(7)—Any official who has concerns about irregularities in the way they have exercised a delegation should raise these concerns with their manager and also with Financial.governance@infrastructure.gov.au.
9. For the Direction at subsection 4(16)—the directions issued by the Minister for Finance are contained in the Finance Minister's Delegation on the Department of Finance webpage.

5. Revocation

I revoke instrument D12/2025 *Accountable Authority Delegations (No. 3) 2025*, dated 10 February 2025.

I revoke instrument D16/2025 *Secretary's Machinery of Government Transitional Delegation Instrument 2025 (No. 1)*, dated 15 May 2025.

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Schedule 1—Approve a commitment of relevant money

TLFA = to the level of funds available

Schedule 1—Approve a commitment of relevant money	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
Provisions	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(3); LS Directions, paragraphs 3 and 4 of Annexure C of Schedule 1; FFSP Act sections 32B and 32C
Description of the power or function delegated	Approve commitment of relevant money for matters not covered in columns 2 to 9 (includes business catering without alcohol)	Approve commitment of relevant money for a media campaign relating to the responsibilities of a division in the department <i>See Guidance note 1</i>	Approve commitment of relevant money for Official Hospitality and Business catering with alcohol <i>Entertainment Form must be completed for Official Hospitality- See Guidance note 1</i>	Approve commitment of relevant money for external legal services <i>See Guidance notes 1 and 5</i>	Approve commitment of relevant money for International Travel <i>See Guidance note 1 and the entry for "International travel" in Schedule 8</i>	Approve commitment of relevant money for Consultancies <i>See the entry for "Consultancy" in Schedule 8 and AAI 2.3</i>	Approve commitment of relevant money for Sponsorships	Approve settlement of monetary claim <i>See Guidance note 2</i>
Delegates								
COO	TLFA to the dept	TLFA in the media campaign budget for the relevant division	TLFA to the dept	TLFA to the dept	TLFA to the dept	TLFA to the dept	\$40,000	TLFA to the dept
SES 3 other than the COO	TLFA to the dept	NA	TLFA to the dept	NA	TLFA to the dept	TLFA to the dept	\$40,000	TLFA to the dept
CFO	TLFA to the dept	NA	\$10,000	NA	NA	TLFA to the dept	NA	NA

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Schedule 1—Approve a commitment of relevant money	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
SES 2 responsible for communications (including SES 2 secondees)	TLFA to the division	TLFA in the media campaign budget for the division	\$10,000	NA	Travel to and from overseas postings only; TLFA to the division	TLFA to the division	NA	NA
SES 2 responsible for property	TLFA to the division	NA	\$10,000	NA	Travel to and from overseas postings only; TLFA to the division	TLFA to the division	NA	NA
SES 2 responsible for legal services (not including secondees)	TLFA to the division	NA	\$10,000	TLFA to the relevant division	Travel to and from overseas postings only; TLFA to the division	TLFA to the division	NA	NA
SES 2 not mentioned above (including SES 2 secondees)	TLFA to the division	NA	\$10,000	NA	Travel to and from overseas postings only; TLFA to the division	TLFA to the division	NA	NA
Finance SES 1	TLFA to the dept	NA	\$5,000	NA	NA	TLFA to the dept	NA	NA
SES 1 responsible for communications (including SES 1 secondees)	TLFA to the branch	TLFA in the media campaign budget for the division	\$5,000	NA	NA	TLFA to the branch	NA	NA
SES 1 responsible for property	TLFA to the branch	NA	\$5,000	NA	NA	TLFA to the branch	NA	NA
SES 1 responsible for legal services (not including secondees)	TLFA to the branch	NA	\$5,000	TLFA to the relevant division	NA	TLFA to the branch	NA	NA
SES 1 not mentioned above	TLFA to the branch	NA	\$5,000	NA	NA	TLFA to the branch	NA	NA

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Schedule 1—Approve a commitment of relevant money	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
EL2 Divisional support officer, Finance Business Partner or Executive Officer	[Excludes domestic travel] Funds available for the relevant division but not exceeding: Departmental funds: \$200,000; Administered funds: \$500,000	NA	NA	NA	NA	NA	NA	NA
EL2 responsible for departmental office leasing and fit-out	Departmental funds: \$1 million; Administered funds: \$250,000	NA	NA	NA	NA	NA	NA	NA
EL2 responsible for legal services (not including secondees)	Departmental funds: \$80,000; Administered funds: \$250,000	NA	NA	Departmental funds: \$80,000; Administered funds: \$250,000	NA	NA	NA	NA
EL2 not mentioned above	Departmental funds: \$80,000; Administered funds: \$250,000	NA	NA	NA	NA	NA	NA	NA
EL1 responsible for legal services (not including secondees)	Excludes domestic travel: Departmental funds: \$50,000; Administered funds: \$50,000	NA	NA	Departmental funds: \$50,000; Administered funds: \$50,000	NA	NA	NA	NA
EL1 not mentioned above	Excludes domestic travel: Departmental funds: \$50,000;	NA	NA	NA	NA	NA	NA	NA

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Schedule 1—Approve a commitment of relevant money	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
	Administered funds: \$50,000							
Australian Government Credit Card Holders	The transaction limit of the card	The transaction limit of the card	The transaction limit of the card (business catering expenses only)	NA	The transaction limit of the card	NA	NA	NA
<i>See Guidance note 4</i>								
Prescribed officials	Excludes domestic travel; Amount allocated when prescribed	NA	NA	NA	NA	NA	NA	NA

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Guidance notes

1. Refer to the following AAI in respect to the relevant expenditure:
 - a. travel expenditure: see AAI on Official Travel
 - b. official hospitality related expenditure: an Entertainment Form in Lighthouse must be completed prior to committing to the provision of Official Hospitality, see also AAI on Gifts and Hospitality.
 - c. procurement of consultancy services (including re-approaching a current supplier with an existing contract): see AAI 2.3 on Procurement
 - d. procurement of Legal Services or Non-Legal Services from an external legal services provider: see column 4 (not column 6) in the above table as well as AAI on Legal Services . The requirement to obtain Deputy-Secretary approval in AA1 2.3 on Procurement also applies to the extent the legal procurement is a consultancy.
 - e. media campaign-related costs: see AAI on Media Advertising
 - f. interests in relation to land: see AAI on Managing property.
2. For Column 8 (Settlement of monetary claims), the settlement of monetary claims (excluding Major Claims) can only be on the basis of a common sense view that the settlement is in accordance with legal principle and practice. For the settlement of Major Claims, the delegate must receive written advice received from the Australian Government Solicitor or an external legal adviser that the settlement is in accordance with legal principle and practice and the delegate agrees with the settlement. The delegate should also refer to paragraphs 3 and 4 of Annexure C of Schedule 1 to the LS Directions. In addition to financial approvals, Monetary Claims involving significant issues that are required to be reported to the Attorney-General (or the Office of Legal Services Coordination) under paragraph 3.1 of Schedule 1 to LS Directions, cannot be settled without the agreement of the Attorney-General (or delegate): see paragraph 3.2 of Schedule 1 to the LS Directions.
3. For commitments of relevant money relating to any 'interest, in relation to land', as defined in the Lands Acquisition Act 1989, please refer to the additional requirements under that Act.
4. Credit card holders hold a limited delegation under this Schedule 1 and Schedule 2 and therefore can make certain payments within their delegation limit. Please see the AAI on Credit cards, credit vouchers and travel accounts, for more information about the use of departmental credit cards.
5. Before committing relevant money for External Legal Services from a cost centre for which the delegate is not responsible, the delegate must have written confirmation instructions for of the required services and confirmation of availability of funds from the SES responsible for the cost centre.

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Schedule 2—Enter into, vary or administer an arrangement

Schedule 2—Enter into, vary or administer an arrangement	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
Provisions	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); LS Directions, paragraphs 3 and 4 of Annexure C of Schedule 1; FFSP Act sections 32B and 32C
Description of the power or function delegated	Enter into, vary or administer an arrangement for matters not covered in columns 2 to 9 See subsection 3(2) and Guidance notes 1 to 4	Enter into, vary or administer an arrangement for media advertising See subsection 3(2) and Guidance notes 1 to 4	Enter into, vary or administer an arrangement for Official Hospitality and Business Catering See subsection 3(2) and Guidance notes 1 to 4	Enter into, vary or administer an arrangement for external legal services See subsection 3(2) and Guidance notes 1 to 4	Enter into, vary or administer an arrangement for International Travel See subsection 3(2). Guidance notes 1 to 4 and the entry for “International travel” in Schedule 8	Enter into, vary or administer an arrangement for Consultancies See subsection 3(2). Guidance notes 1 to 3 and the entry for “Consultancy” in Schedule 8 and AAI 2.3	Enter into, vary or administer an arrangement for Sponsorships See subsection 3(2) and Guidance notes 1 to 3	Approve settlement of monetary claim See Guidance notes 1 to 3 and 5
Delegates								
COO	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval
SES 3 other than the COO	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval	To the limit of the commitment approval

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Schedule 2—Enter into, vary or administer an arrangement	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
CFO	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	For travel to and from overseas postings only; To the limit of the commitment of money	To the limit of the commitment approval	NA	NA
SES 2 responsible for communications	To the limit of the commitment approval	To the limit of the commitment approval, up TLFA in the media campaign budget for the division	To the limit of the commitment approval	NA	For travel to and from overseas postings only; To the limit of the commitment approval	To the limit of the commitment approval	NA	NA
SES 2 responsible for property	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	For travel to and from overseas postings only; To the limit of the commitment approval	To the limit of the commitment approval	NA	NA
SES 2 responsible for legal services (not including secondees)	To the limit of the commitment approval	NA	To the limit of the commitment approval	To the limit of the commitment approval	For travel to and from overseas postings only; To the limit of the commitment approval	To the limit of the commitment approval	NA	To the limit of the commitment approval
SES 2 not mentioned above	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	For travel to and from overseas postings only; To the limit of the commitment approval	To the limit of the commitment approval	NA	NA
Finance SES 1	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	NA	To the limit of the commitment approval	NA	NA

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Schedule 2—Enter into, vary or administer an arrangement	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
SES 1 responsible for communications	To the limit of the commitment approval	To the limit of the commitment approval up TLFA in the media campaign budget for the division	NA	NA	NA	To the limit of the commitment approval	NA	NA
SES 1 responsible for property	To the limit of the commitment approval	NA	NA	NA	NA	To the limit of the commitment approval	NA	NA
SES 1 responsible for the arts	To the limit of the commitment approval	NA	To the limit of the commitment approval but not exceeding \$2,000	NA	NA	To the limit of the commitment approval	NA	NA
SES 1 responsible for legal services (not including secondees)	To the limit of the commitment approval	NA	NA	To the limit of the commitment approval	NA	To the limit of the commitment approval	NA	To the limit of the commitment approval
SES 1 not mentioned above	To the limit of the commitment approval	NA	NA	NA	NA	To the limit of the commitment approval	NA	NA
EL2 responsible for departmental office leasing and fit-out	To the limit of the commitment approval but not exceeding: Departmental funds: \$3 million; Administered funds: \$2 million	NA	NA	NA	NA	NA	NA	NA
EL2 responsible for legal services (not	To the limit of the commitment	NA	NA	To the limit of the commitment approval	NA	NA	NA	To the limit of the commitment approval

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Schedule 2—Enter into, vary or administer an arrangement	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
including secondees)	approval but not exceeding: Departmental funds: \$500,000; Administered funds: \$2 million							
EL2 responsible for regional programs, regional policy and Targeted Roads and Community Infrastructure Program	Administered funds only; To the limit of the commitment approval up TLFA to the delegate's branch allocated to the relevant program	NA	NA	NA	NA	NA	NA	NA
EL 2 not mentioned above	To the limit of the commitment approval but not exceeding: Departmental funds: \$500,000; Administered funds: \$2 million	NA	NA	NA	NA	NA	NA	NA
EL 1	Excludes domestic travel; To the limit of the commitment approval but not exceeding: Departmental funds: \$250,000;	NA	NA	NA	NA	NA	NA	NA

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Schedule 2—Enter into, vary or administer an arrangement	Column 1 General	Column 2 Media advertising	Column 3 Official hospitality and business catering	Column 4 External legal services	Column 5 International travel	Column 6 Consultancies	Column 7 Sponsorships	Column 8 Settlement of monetary claims
	Administered funds: \$1 million							
APS 4 to 6	Excludes domestic travel; To the limit of the commitment approval but not exceeding \$100,000	NA	NA	NA	NA	NA	NA	NA
Australian Government Credit Card holders <i>See Guidance note 7</i>	To the limit of the commitment approval but not exceeding the transaction limit of the card	To the limit of the commitment approval but not exceeding the transaction limit of the card	To the limit of the commitment approval but not exceeding the transaction limit of the card	NA	To the limit of the commitment approval but not exceeding the transaction limit of the card	NA	NA	NA
Prescribed officials	To the limit of the amount allocated when prescribed							

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Guidance notes

1. The term, 'arrangement' includes a contract, agreement, deed, understanding or purchase order.
2. Arrangements are to be in writing (which could include electronic form). They must be readily accessible so as to be usable for subsequent reference.
3. The delegate must not enter into an arrangement that commits relevant money unless the commitment has also been approved by a delegate, as outlined in Schedule 1 or Schedule 3: see the direction in subsection 4(13).
4. Refer to the following AAls where relevant:
 - a. travel expenditure: see AAI on Official Travel
 - b. official hospitality, business catering, entertainment and gifts related expenditure: see AAI on Gifts and Hospitality
 - c. procurement of consultancy services (including re-approaching a current supplier with an existing contract): see AAI 2.3 on Procurement
 - d. procurement of Legal Services or Non-Legal Services from an external legal services provider: see column 4 (not column 6) in the above table as well as AAI on Legal Services. The requirement to obtain Deputy-Secretary approval in AA1 2.3 on Procurement also applies to the extent the legal procurement is a consultancy.
 - e. media campaign-related costs: see AAI on Media Advertising
 - f. interests in relation to land: see AAI on Managing property.
5. For Column 8 (Settlement of monetary claims), the settlement of monetary claims (excluding Major Claims) can only be on the basis of a common sense view that the settlement is in accordance with legal principle and practice. For the settlement of Major Claims, the delegate must receive written advice received from the Australian Government Solicitor or an external legal adviser that the settlement is in accordance with legal principle and practice and the delegate agrees with the settlement. The delegate should also refer to paragraphs 3 and 4 of Annexure C of Schedule 1 to the LS Directions. In addition to financial approvals, Monetary Claims involving significant issues that are required to be reported to the Attorney-General (or the Office of Legal Services Coordination) under paragraph 3.1 of Schedule 1 to LS Directions, cannot be settled without the agreement of the Attorney-General (or delegate): see paragraph 3.2 of Schedule 1 to the LS Directions.
6. For commitments of relevant money relating to any 'interest, in relation to land', as defined in the *Lands Acquisition Act 1989*, please refer to the additional requirements under that Act.
7. Credit card holders hold a limited delegation under Schedule 1 and this Schedule 2 and therefore can make certain payments within their delegation limit. Please see the AAI on Credit cards, credit vouchers and travel accounts, for more information about the [use of department credit cards](#).

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Schedule 3—Additional delegates for the Territories

Schedule 3—Additional delegates for the Territories	Column 1 Approve a commitment of relevant money	Column 2 Enter into, vary or administer an arrangement
Provisions	PGPA Act, subsection 23(3); FFSP Act sections 32B and 32C	PGPA Act, subsection 23(1); FFSP Act sections 32B and 32C
Description of the power or function delegated	Approve a commitment of relevant money from departmental or administered funds for the Territories <i>See Guidance notes 1 to 4</i>	Enter into, vary or administer an arrangement for the Territories <i>See subsection 3(2) and Guidance notes 1 to 4</i>
Delegates (in addition to those mentioned in Schedules 1 and 2)		
SES 2 responsible for territories	From administered funds only, for international travel related to the Administrator of the Territories of CI and CKI (and their families). TLFA to the Division	See Schedule 1
EL 2 responsible for territories and Director; Indian Ocean Territories Administration	Administered funds only; \$500,000	To the limit of the commitment approval but not exceeding \$500,000
EL 1 responsible for capital or major projects in relation to territories	Administered funds only; \$250,000	See Schedule 1
EL 1 responsible for territories (other)	Administered funds only; \$200,000	See Schedule 1
s22(1)(a)(ii)		
APS 4 to 6 responsible for territories, other than an APS 4 to 6 responsible for contracts and procurement in relation to JBT	Administered funds only; \$100,000	See Schedule 1
s22(1)(a)(ii)		

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Schedule 3—Additional delegates for the Territories	Column 1 Approve a commitment of relevant money	Column 2 Enter into, vary or administer an arrangement
s22(1)(a)(ii)		
Administrators of the Territory of NI and the Territories of CI and CKI	Administered funds only; For official hospitality: \$5,000; for expenses other than official hospitality: \$50,000	To the limit of the commitment approval but not exceeding: for official hospitality: \$5,000; for expenses other than official hospitality: \$50,000
s22(1)(a)(ii)		

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Released under the FOI Act 1982 by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

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Guidance notes

1. 'Arrangement' includes a contract, agreement, deed, understanding or purchase order.
2. Arrangements are to be in writing (which could include electronic form). They must be readily accessible so as to be usable for subsequent reference.
3. The delegate must not enter into an arrangement that commits relevant money unless the commitment has also been approved by a delegate, as outlined in Schedule 1 or Schedule 3: see the direction in subsection 4(13).
4. Refer to the following AAls where relevant:
 - a. travel expenditure: see AAI on Official Travel
 - b. official hospitality, business catering, entertainment and gifts related expenditure: see AAI on Gifts and Hospitality
 - c. procurement of Legal Services or Non-Legal Services from an external legal services provider: see AAI on Legal Services.
 - d. media campaign-related costs: see AAI on Media Advertising.

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Schedule 8—Glossary

Term	Meaning
AAI	An accountable authority instruction given by the Secretary of the department, as the department's Accountable Authority, to officials of the department under section 20A of the PGPA Act.
Administer	In relation to a delegation under subsection 32D(3) of the FFSP Act, has a meaning affected by subsection 32B(4) of that Act.
Administered expenditure	An item specified as an administered item in an appropriation, special appropriation or proposed law; in a list of assets and liabilities; in a Special Account or in the forward estimates.
APS employee	An APS employee as defined in the <i>Public Service Act 1999</i> .
APS 4 to 6	An APS employee in the department who is classified as APS Level 4, APS Level 5 or APS Level 6.
CFO	Chief Financial Officer.
CI	Christmas Island.
CKI	The Territory of Cocos (Keeling) Islands.
Commitment approval	An approval to commit relevant money given under subsection 23(3) of the PGPA Act or section 32B of the FFSP Act, as applicable.
Consultancy	Refer to the Department of Finance's " Contract Characteristics " webpage. Please refer to AAI 2.3 (Procurement) for specific instruction regarding consultancy services. A legal firm engaged by the entity to provide independent legal advice would be considered a consultancy. An individual engaged through a supplier, or a supplier engaged to provide legal advice to a government entity within the internal legal function of the entity and under direct supervision would not be a consultancy.
COO	Chief Operating Officer.
Department	The department administered by the Minister administering the <i>National Land Transport Act 2014</i> .
Departmental expenditure	An item specified as a departmental item in an appropriation or proposed law, in a Special Account or in the forward estimates.
Domestic travel	Includes travel to NI and IOT.
EL1	An APS employee in the department who is classified as Executive Level 1.
EL2	An APS employee in the department who is classified as Executive Level 2.
Finance SES 1	The SES 1 responsible for Financial Management division; or the SES 1 responsible for the Budget Engagement and Strategy division.

OFFICIAL

OFFICIAL

Term	Meaning
Finance Minister's Delegation	<i>Public Governance, Performance and Accountability (Finance Minister to Accountable Authorities of Non-Corporate Commonwealth Entities) Delegation 2022</i> or any later instrument made by the Finance Minister delegating to accountable authorities' functions, powers and duties of the Finance Minister under the PGPA Act or the PGPA Rule.
FFSP Act	<i>Financial Framework (Supplementary Powers) Act 1997.</i>
Forward Estimates	The budget estimates (other than provisional estimates) recorded in the central budget management system maintained by the Department of Finance for the 4-year period commencing at the beginning of the next Budget year and including the third forward year.
Funds available	Available uncommitted funds under the relevant cost centre or program/project budget.
Grant	As defined in Part 1 of the <i>Commonwealth Grants Rules and Principles</i> .
International travel	Does not include travel to NI and IOT.
IOT	Indian Ocean Territories, comprising the Territory of Christmas Island and the Territory of Cocos (Keeling) Islands.
JBT	Jervis Bay Territory.
LS Directions	<i>Legal Services Directions 2017.</i>
Major Claim	A Monetary Claim which alone, or together with any related Monetary Claim, cannot be settled for \$100,000 or less.
Monetary Claim	A monetary claim either against the Commonwealth or a non-corporate Commonwealth entity; or by the Commonwealth or a non-corporate Commonwealth entity; excluding claims that are to be determined under a legislative or contractual mechanism.
NI	Norfolk Island.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013.</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014.</i>
Prescribed official	A person engaged by the department as a consultant or independent contractor who has been prescribed as an official under Item 1A of the table in subsection 9(1) of the PGPA Rule.
Relevant money	Money standing to the credit of any bank account of the Commonwealth (or a Corporate Commonwealth Entity), or money that is held by the Commonwealth (or a Corporate Commonwealth Entity).
SES 1, SES 2, or SES 3	An APS employee in the department who is classified as Senior Executive Band 1, Senior Executive Band 2, or Senior Executive Band 3, respectively.
Sponsorship	Where the department publicly indicates its support for an event or activity, with the provision of financial assistance.

OFFICIAL

Term	Meaning
TLFA	To the level of funds available.
Vary	In relation to a delegation under subsection 32D(3) of the FFSP Act, has a meaning affected by subsection 32B(4) of that Act.
Vehicle standards law	A law or instrument made under the <i>Road Vehicle Standards Act 2018</i> ; <i>Road Vehicle Standards (Consequential and Transitional Provisions) Act 2018</i> , or the <i>Motor Vehicle Standards Act 1989</i> , as continued in force by the <i>Road Vehicle Standards (Consequential and Transitional Provisions) Act 2018</i> .

OFFICIAL

THIS AGREEMENT is made on the 24th day of June 2016

BETWEEN

COMMONWEALTH OF AUSTRALIA ("the Commonwealth")

AND

THE ADMINISTRATION OF NORFOLK ISLAND ("the Administration")

RECITALS:

The Administration is implementing a significant organisational reform program which may impact on the efficiency and effectiveness of the services provided at the beginning of the term of this Agreement. The introduction of technology, performance management systems and corporate planning will significantly assist the Administration to meet the standards outlined in Schedule 1, however these efficiencies will take time. In that context, the Parties agree as follows:

1. TERM OF THE AGREEMENT

Commencement

- 1.1 This Agreement commences when signed by both Parties and, subject to the terms of this Agreement, shall end on 30 June 2019 unless terminated earlier or extended as agreed in writing by both Parties.

Extension

- 1.2 During the term, the Parties may commence discussions for renewal of this Agreement.

Variation

- 1.3 This Agreement may be varied by agreement in writing between the Parties.

2. GOVERNANCE AND DECISION MAKING

- 2.1 Both Parties are jointly responsible for maintaining the currency of this Agreement. As such, the Parties will periodically review and update this Agreement including via the addition of Schedules in accordance with clause 1.3 for specific services and functions to be delivered by the Administration.
- 2.2 In the first year of the Agreement, the Parties agree to meet and review its operation in the first, second and third quarters of the year. In subsequent years the Parties will meet every six months for the duration of the Agreement.
- 2.3 The Administration agrees that it is a fundamental condition of this agreement that the Administration improves the efficiency of service delivery and that the Administration continues to modernise and reform service delivery. A baseline will be established from which the agreed services will be reviewed against to

establish whether the Council is satisfactorily progressing towards meeting the service delivery standards outlined in Schedule 1. This will also be used to determine optimal funding and service delivery models for future years.

- 2.4 The Parties agree that, apart from any specific obligations, the management of the services will generally be undertaken in accordance with the Australian National Audit Office's "Public Sector Governance – Better Practice Guide" and relevant principles set out in Australian Standards AS 8000, 8001, 8002, 8003, 8004-2003 'Corporate Governance – Good Governance Principles', as updated from time to time.

3. FINANCIAL ASSISTANCE GRANTS FUNDING

- 3.1 In addition to payment for the delivery of the state-type services specified in Schedule 1 to this Agreement, the Commonwealth will provide funding to the Administration for Financial Assistance Grants. The amount to be provided each year is to be calculated based on the Financial Assistance Grants program funding formula applied by the New South Wales Local Government Grants Commission. This calculation will be completed by the New South Wales Local Government Grants Commission and the Commonwealth will advise the Administration of the amount by 31 July each year. This funding is untied and may be allocated at the discretion of the Administration. The amount will be paid to the Administration by 30 September each year.

4. ROLES AND RESPONSIBILITIES

- 4.1 The Administration is responsible for:
- (a) delivering the state-type services provided in Schedule 1 to this agreement within the funding allocated for each service in Part B of Schedule 1;
 - (b) applying the service delivery standards set out in this Agreement, including those for specific services set out in Part A of Schedule 1;
 - (c) developing appropriate internal monitoring and reporting mechanisms to meet the standards and key performance indicators specified in Part A of Schedule 1;
 - (d) developing plans including resourcing plans for the long term management, maintenance and renewal of assets owned or transferred by the Commonwealth for the provision of services;
 - (e) notifying the Commonwealth immediately of any significant issues that come to the Administration's attention which:
 - i. are currently impacting, or are likely to impact, service delivery; or
 - ii. are currently having or are likely to have a material impact on the agreed budget for the services; and
 - (f) providing reports for the Commonwealth as specified in clause 11 of this Agreement.

4.2 The Commonwealth will be responsible for:

- (a) providing annual funding for the delivery of state-type services and regulatory functions by the Administration;
- (b) providing funding for repairs and maintenance to assets used in delivering services and where agreed, funding the replacement of assets that are no longer suitable for completing the services;
- (c) giving a minimum of 3 months' notice of the Commonwealth's intentions to cease the requirement for services and at least 3 months' notice of a substantial change in service quantum or standard (these timeframes may be varied by mutual agreement).
- (d) contributing to the definition of the simplified reporting requirements as outlined in clause 11;
- (e) providing feedback to the Administration regarding operational and financial performance and negotiating revised performance delivery standards where necessary; and
- (f) giving 6 months' notice where possible of the requirement for new services and adhering to the procedure described in clause 6.

4.3 The Parties will jointly be responsible for:

- (a) agreeing the development of new services where necessary;
- (b) reviewing the progress of the delivery of existing services with a focus on outcomes, outputs and risks;
- (c) reviewing financial performance for each of the services;
- (d) agreeing any changes to funding that may be required in 2017-18 and 2018-19. This will be based on a consideration of changes in service levels and risks, revenue and expenditure data from the previous year and projected revenue and expenditure data for the coming year; and
- (e) minuting their meetings and agreeing responsibilities and timeframes for addressing actions arising.

4.4 The Administration will be responsible for the delivery and administration of the service or function as agreed in the Schedules to this Agreement. The Administration will identify and administer the policies and procedures for:

- (a) management of information;
- (b) protection of information;
- (c) quality assurance systems;
- (d) performance control system; and
- (e) performance audits.

5. DESCRIPTION OF SERVICES

5.1 The Administration agrees to deliver the following state-type services, which are set out in further detail in Schedule 1 of this agreement:

- (a) Service 1: Education – Provide accounts payable and purchasing services and ancillary and support staff to the Norfolk Island Central School for the following functions: office and other general support, learning support, counselling, library, science laboratory, technology support, grounds maintenance and hospitality. It is expected that this service will only be required for the period 1 July to 31 December 2016;
- (b) Service 2: Policing, Courts and Legal Services – provide Senior Constables to support the Australian Federal Police, legal, court and prosecution services. Also develop and administer a legal aid program to provide assistance to community members needing to access the justice system;
- (c) Service 3: Tribunals/Boards/Statutory Appointments – keep records of Tribunal/Board composition and tenure and statutory appointments and complete processes to recommend appointments/re-appointments to the Commonwealth. Also provide effective support to enable the tribunals and boards to carry out their duties;
- (d) Service 4: Child Welfare – provide a suitably qualified Child Welfare Officer and a framework for their professional supervision and support until such time as the NSW Government can provide the service. Also provide assistance in administering working with children check requirements;
- (e) Service 5: Registry, Licencing and Regulatory Enforcement – maintain registers of motor vehicles, driver licences, other licenses as required (such as taxis, fishing, food retail etc.), births, deaths and marriages, land titles, companies, providers of early education services. Also carry out regulatory monitoring and enforcement functions in relation to animal welfare, slaughtering, consumer protection, food safety, workplace safety and environmental protection;
- (f) Service 6: Emergency Services – provide community fire service and marine search and rescue service, including maintenance of assets and training for officers. Also provide support for volunteer ambulance service including assistance with management of St. John Ambulance assets, training for members, costs of relevant insurances, uniform and general supplies;
- (g) Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) (including the reserves within KAVHA) and Museums – in accordance with directions issued by the Commonwealth Heritage Manager, carry out a program of cyclical and responsive maintenance to Commonwealth owned heritage buildings and structures, operate the KAVHA visitor interpretation and research centre and the various onsite museums and accession all newly discovered material into the KAVHA collection;

- (h) Service 8: Office of the Administrator – provide one seconded officer to undertake receptionist and administrative duties, as well as support the Administrator's community engagement program;
- (i) Service 9: Gaming – undertake functions in relation to the issuing and renewal of licenses and regulatory processes relating to existing licence holders. This should be completed independently of promotional and business development functions;
- (j) Service 10: Pest and Noxious Weed Control – Provide support and advice to manage the impact of pests and noxious weeds;
- (k) Service 11: Workers Compensation – administer the Norfolk Island Workers Compensation Scheme;
- (l) Service 12: Ports Management – manage the use of the maritime ports including port related infrastructure, the loading and unloading of ships and the use of the ports for commercial and recreational purposes;
- (m) Service 13: Record Keeping – manage the storage, archival and where necessary, retrieval of Commonwealth records held by the Administration;
- (n) Service 14: Spatial Policy and Planning – facilitate the preparation and update of Territory level planning;
- (o) Service 15: Information Communications Technology (ICT) Support – provide ICT support for the Norfolk Island Health and Residential Aged Care Service (NIHRACS) and the Office of the Administrator; and
- (p) Pensioner Rates Rebates – In accordance with Section 575 of the Local Government Act (NSW (NI) pensioners are to be provided with a rebate of 50% of their levied rates. 50% of the rebate is recoverable from the NSW government and therefore can be claimed by the Council from the Commonwealth.

6. BUSINESS CASE FOR NEW SERVICES

- 6.1 Both Parties recognise that having a sound business case contributes to the overall stability and integrity of service delivery. Individual business cases will provide the basis for new service Schedules to this Agreement, will demonstrate each party's contribution toward a jointly agreed outcome, and will be open and transparent to all parties.
- 6.2 The Parties agree the following process:
 - (a) the Administration and the Commonwealth will work together to develop a business case for each new service and function to be delivered;
 - (b) business cases will state the terms and conditions for specific services, including resourcing requirements and appropriate fee structures;
 - (c) both Parties agree that business cases must set out costs transparently on a full cost basis taking into account expected revenue from fees and

charges for the provision of the service, to the extent that transparency requirements do not become administratively onerous;

(d) business cases are to be agreed by the parties prior to being formalised as Schedules to this Agreement; and

(e) notwithstanding clauses 6.2 (a) through 6.2 (d), there is no obligation on the Administration to provide any services unless agreement has been reached with the Commonwealth, nor will the Commonwealth be obliged to fund services from the Administration as the only provider of those services.

7. PAYMENT

7.1 Four payments will be made by the Commonwealth to the Administration for the services specified in Part B of Schedule 1. An amount that is 25% of the total specified in Part B of Schedule 1 will be paid by 31 July, 31 October, 31 January and 30 April each year.

7.2 For the services specified in Part A of Schedule 1, where the Administration has, in the reasonable opinion of the Commonwealth, incurred an additional cost in good faith having endeavoured to seek Commonwealth agreement prior to incurring the cost, the Commonwealth agrees to pay that cost.

7.3 For the services specified in Part A of Schedule 1, where a surplus occurs from the delivery of a particular service, it is to be retained by the Administration and used for the costs of delivering the other services outlined in this agreement.

7.4 Payments for other funding sources will be provided as detailed in clause 3.

8. PERFORMANCE MANAGEMENT

8.1 Both Parties agree to establish performance management and performance guarantee mechanisms as part of Schedules to this Agreement. Performance management and guarantee mechanisms will be equitable and mutually beneficial.

9. FEES AND CHARGES

9.1 All fees and charges levied for state-type services provided under this Agreement must be not greater than the actual cost of the service (including insurance and other overheads), and approved in advance by the Commonwealth.

10. RISK MANAGEMENT

10.1 Both Parties agree to take a proactive approach to risk by putting in place quality assurance and risk control measures at the commencement of each specific service that ensure at least minimum agreed levels of service.

10.2 The Parties agree to apply and comply with the Commonwealth Risk Management Policy as updated or replaced from time to time.

- 10.3 Risks are to be managed at the service level by the Party best placed to do so.

As such both Parties agree:

- (a) the Administration will keep a risk register for each service;
- (b) the Administration will monitor risks with risks to be reported in the performance reports prepared in accordance with clause 11, or more frequently if required by the Commonwealth; and
- (c) a consolidated risk report will be prepared by the Administration and the Parties will discuss the consolidated risk report bi-annually.

- 10.4 The Administration must take out all appropriate insurances for the potential liability associated with the services specified in Schedule 1, including risks relating to staff, including workers compensation, professional indemnity and public liability.

11. REPORTING

- 11.1 Both Parties agree to simplified reporting arrangements that will not unduly burden either party with duplicative or complex reporting.

- 11.2 The Administration will prepare a consolidated performance and financial report as at 30 June and 31 December each year. These reports are to be produced within six weeks of 30 June and 31 December.

- 11.3 The Administration will provide a report on the level, type and standard of services provided in the period. This will include:

- (a) an annual summary of activity for the financial year for each of the services specified in Schedule 1;
- (b) progress achieved against outcomes, outputs and performance indicators specified in Schedule 1;
- (c) details of revenues and expenditures for the financial year for each of the services specified in Schedule 1;
- (d) changes, reforms and improvements introduced during the period that may impact upon the performance of this Agreement;
- (e) any identified risks, issues or obstacles to effective and efficient delivery of service during the period;
- (f) the condition of existing assets, the completion of planned asset maintenance schedules and the timing and nature of potential future asset needs; and
- (g) any additional funds required.

12. AUDITS

- 12.1 Both Parties agree to cooperate with and provide input to the audit requirements of each Party within the scope of the Agreement. Parties further agree to be explicit about audit requirements when developing new services as Schedules to this Agreement.

13. RECORDS

- 13.1 Consistent with its obligations as a Commonwealth Institution under the *Archives Act 1983* (Cth), the Administration must comply with record keeping obligations under the *Archives Act 1983* (Cth) and cooperate with the National Archives of Australia on matters relating to the identification and preservation of, and public access to, archival resources of the Commonwealth.

14. ASSETS

- 14.1 The Administration must develop plans, to the satisfaction of the Commonwealth, for the long term management, maintenance and renewal of assets owned or transferred by the Commonwealth for the provision of services
- 14.2 The Commonwealth will insure the buildings, assets, equipment and physical resources owned by it and used in the Territory in providing the Services. The Administration must maintain the assets, and the costs of maintenance are reflected in the funding outlined in Part B of Schedule 1.
- 14.3 The Administration will also be responsible for the insurance of any Administration owned assets and equipment used in the delivery of the Services.

15. DISPUTE RESOLUTION

- 15.1 The Parties agree that dispute resolution will be kept at the lowest, most informal level practicable and will incorporate alternative dispute resolution procedures such as mediation. Where mediation is used, an independent mediator acceptable to both Parties will be appointed. If the mediator reports that the dispute cannot be resolved by mediation then an arbitrator acceptable to both Parties will be appointed. The arbitrator's decision will be final and binding on the Parties. The costs of any mediation or arbitration will be paid equally by both Parties.

16. BRANDING

- 16.1 Both Parties agree that the focus of branding will be on the service rather than individual agencies, although individual agencies may be acknowledged.
- 16.2 Notwithstanding clause 16.1, parties agree that individual agency or jurisdiction specific branding requirements will be resolved with an emphasis on the needs of the customer.

17. PRIVACY

- 17.1 Both Parties acknowledge that they are obliged to comply with the *Privacy Act 1988* and the Australian Privacy Principles set out under the Act, and any other legislative requirements relating to the storage and handling of personal information.
- 17.2 Subject to clause 17.1, special provisions may be made for the protection of personal information to reflect the needs of specific services. These will be specified in Schedules to this Agreement.

18. CONFIDENTIALITY

- 18.1 Both Parties undertake to maintain the confidentiality of data provided to them by another person according to the requirements of the person providing the information.
- 18.2 Special provisions can be made to ensure the confidentiality of information to reflect the needs of specific services or functions. These should be specified in Schedules to this Agreement.

19. SECURITY

- 19.1 Both Parties undertake to maintain the security of data provided to them by another person according to the requirements of the person providing the information.
- 19.2 Special provisions can be made regarding security to reflect the needs of specific services or functions. These should be specified in Schedules to this Agreement.
- 19.3 As a minimum, both Parties agree to meet the following Australian Standards for information security or their equivalent:
- (a) HB 231:2004, Information Security Risk Management Guidelines;
 - (b) AS/NZS ISO/IEC 27002:2006, Information Technology – Security Techniques – Code of Practice for Information Security Management; and
 - (c) AS/NZS ISO/IEC 27001:2006, Information Technology – Security Techniques – Information Security Management Systems – Requirements.

20. COMPLAINT AND QUERY HANDLING

- 20.1 Both Parties agree that the handling of customer complaints and queries must be customer focused and that complaint handling processes must provide complainants with clear and timely resolution.
- 20.2 Over the life the Agreement, both Parties will aspire to meet Standard AS ISO 10002:2006 "Customer Satisfaction - Guidelines for Complaints Handling in Organizations (ISO 10002:2004, MOD)".

- 20.3 Both Parties agree to manage complaints in an integrated fashion to minimise the need for follow up by the customer after the first complaint or query is filed.
- 20.4 Both Parties agree that a complete and integrated complaint resolution process, covering the complaint resolution life-cycle, will include the following elements:
- (a) the information that must be collected and passed between the Parties to facilitate the complaint handling process and minimise the need for repeated customer follow up;
 - (b) the timing of the passing of information; and
 - (c) the coordinating procedures required between parties to ensure the progress of complaint resolution can be monitored and facilitated.
- 20.5 The Administration must develop a complaint resolution process that complies with clause 20.4, to the satisfaction of the Commonwealth. The Parties agree to make available the approved complaint resolution process to the complainant when a complaint is made.
- 20.6 Both Parties agree to work together to prevent further complaints by identifying why complaints or queries have arisen and jointly determining what can be done to resolve them.
- 20.7 Both Parties agree to ensure all potential handlers of complaints, whether an employee of a Party or of an agent, are trained in the manner in which the interaction with the customer should be conducted and in an appropriate manner.

21. INTELLECTUAL PROPERTY

- 21.1 Both Parties agree that ownership of intellectual property will be set out in this Agreement or its Schedules.
- 21.2 Ownership of any pre-existing intellectual property remains unchanged as a result of this Agreement, will be recognised and respected under this Agreement and will only be used as authorised by the owner of the intellectual property as permitted under law and as set out in this Agreement.

22. STAKEHOLDER AND CUSTOMER CONSULTATION

- 22.1 The Parties agree that stakeholders will be consulted during design, development and post implementation of new services and that the consultation will be tailored to match the magnitude, diversity and nature of the integration.
- 22.2 Pre-existing customer and stakeholders forums will be used where appropriate to undertake the consultation.

23. INFORMATION MANAGEMENT

- 23.1 Both Parties agree to design data collection and management processes to minimise unnecessary duplication and compliance costs.
- 23.2 Both Parties agree that the service provider, at point of contact, must confirm identity according to specifications agreed between all parties as specified in Schedules to this Agreement.

24. DATA QUALITY AND ACCESS

- 24.1 Both Parties agree to collaboratively develop equitable and transparent arrangements that assure data quality and access. This will be reflected in Schedules to this Agreement.

25. NOTICES

- 25.1 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:

Executive Director, Local Government and Territories Division
Department of Infrastructure and Regional Development
GPO Box 594
Canberra ACT 2601
Phone: 02 6274 7446

Or other recipients/address as notified by the Commonwealth.

- (b) if given by the Commonwealth to the Recipient –

Executive Director Norfolk Island
Administration of Norfolk Island
New Military Barracks
Kingston NORFOLK ISLAND 2899
Phone: 0011 6723 22001

Or other recipients/address as notified by the Recipient.

- 25.2 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 25.2. Subject to clause 25.2, 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).

25.3 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 25.

IN WITNESS whereof the Parties here to have entered into this Agreement the day and year first herein before written.

SIGNED on behalf of the
COMMONWEALTH OF AUSTRALIA
 As represented by the **Department of Infrastructure and Regional Development**:

in the presence of:

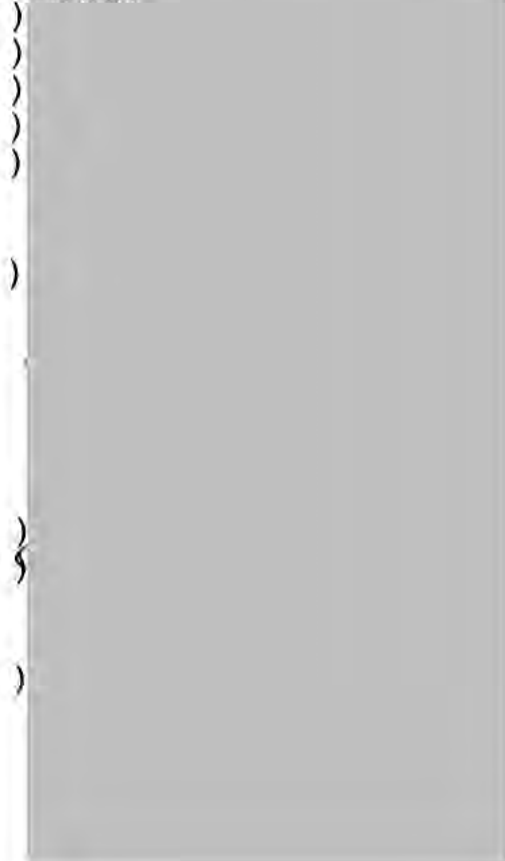
Date: 24 June 2016

SIGNED on behalf of the
Administration of Norfolk Island by:

in the presence of:

Date: 24 June 2016

s22(1)(a)(ii)



SCHEDULE 1 – SERVICES TO BE PROVIDED UNDER THIS AGREEMENT

Subject to the provisions of this Agreement, the Regional Council agrees to provide the following Services:

PART A: SERVICE SPECIFICATION**Service 1: Education**

Function	Services	Standards/KPIs
Support staff for Norfolk Island Central School	Provide ancillary and support staff to the Norfolk Island Central School as specified by the Commonwealth, for the following functions: office and other general support, learning support, counselling, library, science laboratory, technology support, grounds maintenance and hospitality. Note that these support staff will report to the Norfolk Island Central School Principal and it is expected that this service will only be required for the period 1 July to 31 December 2016. Provide accounts payable and purchasing services. It is expected that this service will only be required for the period 1 July to 31 December 2016.	New South Wales Department of Education Code of Conduct and working with Children programs and policies to apply Regional Council staff performance management framework requirements apply. Assessments to be based on feedback from School Principal

Service 2: Policing, Courts and Legal Services

Function	Services	Prerequisites	Standards/KPIs
Special Constables	Provide two special constables to support the on-island policing services to be carried out by the Australian Federal Police (AFP)	Appropriate training as directed by AFP	AFP Code of Conduct and other relevant policies to apply AFP performance management framework requirements apply. Assessments to be based on feedback from AFP Officer in Charge
Registrar of Probates	Administer legislative requirements Manage register of grants of probate and administration Collection of public moneys relating to the service	Extensive experience in courts administration	Implement a program to ensure legislative compliance Maintain a complete and up to date register Certify completeness annually

Function	Services	Prerequisites	Standards/KPIs
Bailiff and Sheriff	Administer legislative requirements Service of summonses and other court process Accept and release persons from custody	Training in court processes or police training	Implement a program to ensure legislative compliance Performance feedback to be sought annually from Australian Federal Police and reported to Commonwealth
Gaolers and custodial officers	Administer legislative requirements Hold persons in custody	Training in relevant custodial processes as directed by the Australian Federal Police	Performance feedback to be sought annually from Australian Federal Police and reported to Commonwealth
Clerk of the Court of Petty Sessions	Administer legislative requirements Arrange business of the court, keep records Forward orders of the court to the Registrar of Births, Deaths and Marriages Accept bail undertaking Provide evidentiary certificate of non-attendance at court Grant bail to a person requiring immediate treatment for a mental health condition. Give notice to other parties Register interstate orders Register sentences	Clerk should have extensive experience in courts administration	Implement a program to ensure legislative compliance Completeness of record keeping Timeliness of notices, orders, sentences, registrations etc.
Crown Law Officer	Administer legislative requirements Notify where a person released on bail is to attend	Officer should have extensive experience in courts administration This role could be undertaken by Supreme Court Registrar or Clerk of the Court of Petty Sessions	Implement a program to ensure legislative compliance Timeliness of notices

Function	Services	Prerequisites	Standards/KPIs
Prosecutions services	Administer legislative requirements Prosecute offences created under various legislation that is the responsibility of the Regional Council	Not applicable	Implement a program to ensure legislative compliance Comply with Prosecutor's duties to the court Have a defensible policy basis for prosecutions such as a Prosecutions Policy Avoid conflicts of interest Timeliness of completion of casework Appropriateness of outcomes achieved
Debt recovery	Administer legislative requirements Various legislation that is the responsibility of the Regional Council provides that unpaid amounts are debts recoverable in a court Collection of public moneys relating to the service	Not applicable	Implement a program to ensure legislative compliance Have a defensible policy basis for pursuing debt recovery such as a Compliance Policy Avoid conflicts of interest Timeliness of completion of casework High percentage of debts recovered
Companies Auditors Authority	Administer legislative requirements Register company auditors and liquidators Collection of public moneys relating to the service	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping
Registrar and Assistant Registrar of companies	Administer legislative requirements Keep registers of documents, register companies and names, register prospectuses, certify that no breach of the Act	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping
Registrar of Brands and Marks	Administer legislative requirements Keep register of owners' brands and marks placed on livestock Collection of public moneys relating to the service	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping

Function	Services	Prerequisites	Standards/KPIs
Coroner and Deputy Coroner	Administer legislative requirements Conduct inquests into deaths and fires	Coroner and Deputy Coroner should have extensive experience in investigations and the assessment of evidence Coroner and Deputy Coroner should be admitted as an Australian legal practitioner	Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved Annual summary of activity for the year including the nature and status of new, existing and closed inquests
Clerk of the Coroners Court	Administer legislative requirements Receive information, issue summonses and administer oaths	Clerk should have experience in courts administration	Implement a program to ensure legislative compliance Timeliness of summonses
Rule Making committee	Administer legislative requirements Approve practice and procedure rules and forms for the Courts	Not applicable	Implement a program to ensure legislative compliance Practice and procedure rules and forms for the Courts approved and in place Timeliness of completion of casework
Secretary of the rule making committee	Administer legislative requirements Assist the rule making committee	Secretary should be a public servant with courts administration experience	Implement a program to ensure legislative compliance Timeliness of advice Quality of advice provided
Magistrate	Administer legislative requirements Issue warrants to enter premises etc. Hear and determine legal proceedings	To be appointed by the Commonwealth Minister under the Court of Petty Sessions Act 1960 To have legal training or significant experience in court procedure and the assessment of evidence such as, as a police officer, and understanding of duty to avoid conflicts of interest	Implement a program to ensure legislative compliance Timeliness of issuing of warrants, conducting of hearings and finalisation of determinations

Function	Services	Prerequisites	Standards/KPIs
Medical superintendent	Administer legislative requirements Detain a person and make appropriate custody arrangements at the Hospital	To be a medical practitioner, appointed under the <i>Norfolk Island Hospital Act 1985</i>	Implement a program to ensure legislative compliance
Legal Aid Advisory Committee	Administer legislative requirements Make decisions about eligibility for legal aid	Understand criminal process and the assessment of evidence	Avoid conflicts of interest Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved
Mental Health Advocate	Administer legislative requirements Represent and assist persons before the Tribunal, liaise with relatives	To have strong interpersonal skills – advocate can be assisted by lawyers, doctors etc.	Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved
Registrar of Lands Registrar of Titles	Administer legislative requirements Registration of powers of attorney Keep and make changes to the register of lands Collection of public moneys relating to the service	To have training or extensive experience in property and equity law	Implement a program to ensure legislative compliance Completeness of registers
Authorised person	Administer legislative requirements Require person subject to imprisonment to be conveyed to NSW	To be a magistrate, registrar of Supreme Court, sheriff, registrar or deputy registrar of a Federal Court	Implement a program to ensure legislative compliance Extensive experience in criminal law, or criminal courts administration
Registrar of Supreme Court	Administer legislative requirements Organise sittings of the court Maintain register of JPs Register approved mediators	Administer legislative requirements. Organise sittings of the court. Maintain register of JPs. Register approved mediators To have extensive experience in courts administration	Implement a program to ensure legislative compliance Completeness of registers

Function	Services	Prerequisites	Standards/KPIs
Deputy Registrar Supreme Court	Administer legislative requirements. Organise sittings of the court. Maintain register of JPs. Register approved mediators.	Administer legislative requirements. Organise sittings of the court. Maintain register of JPs. Register approved mediators If not resident on Norfolk Island, must be a Federal Court Registrar, Deputy Registrar, District Registrar or Deputy District Registrar	Implement a program to ensure legislative compliance. Completeness of registers.

Service 3: Tribunals/Boards

Function	Services	Prerequisites	Standards/KPIs
Administrative Review Tribunal	Administer legislative requirements Review merits of administrative decisions if specified in Norfolk Island legislation	To comprise a Chief Magistrate, legal practitioner of at least 5 years standing. Other members should have experience in administrative decision making	Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved
Mental Health Tribunal	Administer legislative requirements Make orders for release or treatment care and control of persons detained or charged with offences Determine fitness to plead	To include a magistrate, doctor and community member	Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved
Statutory Appointments	Manage statutory appointments relating to Commonwealth funded state type services including records relating to tenure, providing options and recommendations for candidates for statutory roles, maintaining records etc.	To have appropriate legal experience	Completeness of records relating to appointments Adequacy of work undertaken to identify and review candidates for roles Timeliness of recommendations for roles

Service 4: Child Welfare

Function	Services	Prerequisites	Standards/KPIs
Child Welfare Officer	Administer legislative requirements Protect children and support families subject to direction from the court	Training and extensive experience working with families and community and establishing programs for the protection of children and carers	Implement a program to ensure legislative compliance Timeliness of completion of casework Appropriateness of outcomes achieved

Service 5: Registry, Licencing and Regulatory Enforcement

Function	Services	Standards/KPIs
Motor Vehicle Registration	Administer legislative requirements Maintain register of motor vehicles (including cars, trucks, motor cycles, trailers etc.) Process new registrations, registration renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timely follow up of unregistered vehicles including action taken to return plates, provide unregistered vehicles information to Police etc.
Drivers Licences	Administer legislative requirements Maintain register of persons authorised to operate motor vehicles Process new licences, annual renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timely follow up of expiring/expired licences
Land Titles Registration	Administer legislative requirements including: Maintain register of land titles Undertake registration and transfers of land Collection of public moneys relating to the service titles	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of title registrations and transfers

Function	Services	Standards/KPIs
Companies Register	Administer legislative requirements Maintain companies register Process new registrations, renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register
Associations	Administer legislative requirements Maintain register of associations Process new registrations, renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register
Registrar of Births, Deaths and Marriages	Administer legislative requirements Maintenance of register births deaths and marriages on Norfolk Island or notified Process new registrations and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register
Liquor Licencing	Administer legislative requirements Maintain register of licence holders Process new licences, annual renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register
Workplace Safety	Administer legislative requirements Conduct workplace inspections where matters regarding safety come to the attention of the Regional Council Complete prosecutions, enforcement and monitoring processes as required	Implement a program to ensure legislative compliance Responsiveness to workplace safety related matters Completion of monitoring program Timeliness of completion of casework

Function	Services	Standards/KPIs
Environmental Protection	Administer the various legislative requirements contained within the Act Implement a program of inspections to maintain a safe environment Complete prosecutions, enforcement and monitoring processes as required	Implement a program to ensure legislative compliance Completion of program of inspections Timeliness of completion of casework

Service 6: Emergency Services

Function	Services	Standards/KPIs
Fire and Marine Search and Rescue	Provide community fire service which responds to emergencies, including marine rescue Collection of public moneys relating to the service	24/7 response availability Maintenance of 000 emergency number Maintenance of assets (including fire trucks) to an appropriate response standard All officers to be appropriately qualified to respond to fire and marine rescue events and qualifications are kept current
Ambulance Services	Provide support for St. Johns volunteer ambulance service	Support to include assistance with management and maintenance of St. Johns assets, training for members, costs of relevant insurances, uniforms and general supplies

Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) and Museums

Function	Services	Standards/KPIs
KAVHA Landscape and garden maintenance	Administer legislative requirements Landscape priority tasks as outlined in <u>Attachment A</u> Other maintenance priorities as specified in <u>Attachment C</u>	As outlined in Attachment Monthly meetings to be held with Commonwealth Heritage Manager to discuss progress against work program

Function	Services	Standards/KPIs
Facilities Maintenance	Administer legislative requirements Asset Maintenance priority tasks as outlined in <u>Attachment B</u> ; remediation of asbestos and roofing repairs.	As outlined in Attachment Works staff to possess relevant qualifications or skills with experienced supervision to be provided Monthly meetings to be held with Commonwealth Heritage Manager to discuss progress against work program
KAVHA Interpretation and Public Programs	Administer legislative requirements Provide resources to assist visitors to understand the KAVHA site and research family connections Visitor Research and Information Centre open 5 days per week 10.00 am – 3.00 pm Collection of public moneys relating to the service	Customer feedback processes to be implemented which addresses quality of resources and services provided Monthly meetings to be held with Commonwealth Heritage Manager to discuss progress against work program
Museums – KAVHA/Sirius Collections	Administer legislative requirements Operation of Museums and management of KAVHA and Sirius collections. Museums hours of operation: - Pier Store open 7 days per week 11.00 am – 3.00 pm - All other museums open Monday to Saturday 11.00 am – 3.00 pm Collection of public moneys relating to the service	Customer feedback processes to be implemented which addressed quality of exhibitions and services provided All newly discovered material on site to be accessioned into the KAVHA Collection. Significance assessments to be completed for all new acquisitions. Managed in accordance with industry standards and Museums Australia and the International Council of Museums Donations, loans and grant applications to be agreed with the Commonwealth heritage Manager

Service 8: Office of the Administrator

Function	Services	Standards/KPIs
Office Support	One seconded officer for temporary transfer to undertake receptionist and administrative duties, as well as support the Administrator's community engagement program	Secondment for 2 years, open to extension by mutual agreement Subject to a performance agreement within the Office of the Administrator

Service 9: Gaming

Function	Services	Standards/KPIs
Gaming Authority Regulation	Undertake functions in relation to the issuing and renewal of licenses and regulatory processes relating to existing licence holders Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completion of regulatory compliance program Licencing fees and revenue from licence holders operations to be netted off against cost of undertaking regulatory function
Lotteries	Collect commissions in relation to the sale of Lotteries tickets	Timely collection of revenue in accordance with appropriate commission rates

Service 10: Pest and Noxious Weed Control

Function	Services	Standards/KPIs
Pest and Noxious Weed Control	Provide a plan to manage the impact of pests and noxious weeds and carry out a program of work in accordance with this plan	Implement a program to ensure legislative compliance Develop a program which addresses the management/eradication of invasive pests and noxious weeds (including argentine ants and psyllids) and agree this with the Commonwealth each year Complete the above program as agreed

Service 11: Workers Compensation

Function	Services	Standards/KPIs
Workers Compensation	Administer the Norfolk Island Workers Compensation Scheme Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Timeliness of assessment and settlement of new claims

Service 12: Ports Management

Function	Services	Standards/KPIs
Ports Management	Manage the use of the maritime ports including port related infrastructure, the loading and unloading of ships and the use of the ports for commercial and recreational purposes Collection of public moneys relating to the service	Implement a program to ensure legislative compliance with workplace safety requirements and staff are appropriately trained and qualified Develop and implement a framework for managing access to and use of the maritime ports and related infrastructure and equipment

Service 13: Record Keeping

Function	Services	Standards/KPIs
Record Keeping and Archiving	Manage the storage, archival and where necessary, retrieval of Commonwealth records held by the Regional Council	Implement a program to ensure legislative compliance Ensure records are catalogued, appropriately maintained and securely stored Timeliness of response to retrieval requests

Service 14: Spatial Policy and Planning

Function	Services	Standards/KPIs
Spatial Policy and Planning	Facilitate the preparation and update of Territory level planning	Review the Norfolk Island Plan in consultation with the Norfolk Island Community Strategic Plan and update as necessary

Service 15: Information Communications Technology (ICT) Support

Function	Services	Standards/KPIs
ICT support	Provide ICT support for the Norfolk Island Health and Residential Aged Care Service (NIHRACS) Provide ICT support for the Office of the Administrator on an ad hoc or as needed basis (non-help desk support)	Adherence to specified operational principles as directed by NIHRACS Timeliness of response to support requests (response times to be agreed with NIHRACS and the Office of the Administrator based on business continuity requirements)

Service 16: Pensioner Rates Rebates

Function	Services	Standards/KPIs
Pensioner rates rebates	In accordance with Section 575 of the Local Government Act (NSW (NI) pensioners are to be provided with a rebate of 50% of their levied rates. 50% of the rebate is recoverable from the NSW government and therefore can be claimed by the Council from the Commonwealth.	Demonstrate that the rebate has been correctly applied and provide adequate substantiation of the amount being claimed back.

PART B: BUDGET – SERVICE DELIVERY

Service	Estimated Future Net Cost of Service		
	2016-17	2017-18 [^]	2018-19 [^]
Service 1: Education	\$566,610	N/A	N/A
Service 2: Policing, Courts and Legal Services	\$509,558	\$522,297	\$535,355
Service 3: Tribunals/Boards	\$28,126	\$28,829	\$29,550
Service 4: Child Welfare	\$73,299	\$75,131	\$77,009
Service 5: Registry, Licencing and Regulatory Enforcement	-\$595,460	-\$610,346	-\$625,605
Service 6: Emergency Services - Ambulance	\$14,063	\$14,415	\$14,775
Service 6: Emergency Services – Fire and Marine Search and Rescue	\$364,078	\$373,180	\$382,509
Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) - Landscape and garden maintenance (Attachment A) and Other Maintenance Priorities (Attachment C)	\$140,500	\$140,500	\$140,500
Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) – Asset Maintenance Priority Tasks (Attachment B)*	\$227,000	\$227,000	\$227,000
Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) – Interpretation and Public Programs	\$72,000	\$72,000	\$72,000
Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) and Museums - Museums - KAVHA/Sirius Collections	Cost Neutral	Cost Neutral	Cost Neutral
Service 8: Office of the Administrator	\$89,379	\$91,614	\$93,904
Service 9: Gaming (including Lotteries Commissions)	\$18,387	\$18,846	\$19,317
Service 10: Pest and Noxious Weed Control	\$301,709	\$309,251	\$316,983
Service 11: Workers Compensation	\$58,392	\$59,852	\$61,348
Service 12: Ports Management	\$31,023	\$31,799	\$32,594
Service 13: Record Keeping	\$18,952	\$19,426	\$19,912
Service 14: Spatial Policy and Planning	\$19,188	\$19,668	\$20,159
Service 15: ICT Support	\$30,074	\$30,825	\$31,596
Service 16: Pensioner Rates Rebates	\$23,400	\$46,800	\$47,970
Total	\$1,990,278	\$1,471,087	\$1,496,876

* Amount does not include the remaining funds from the KAVHA Account

[^] Indicative net costs only provided in 2017-18 and 2018-19. These will be agreed between the parties at the beginning of each year, based on reasonable estimates of the cost of providing the services

PART C: BUDGET – OTHER FUNDING

Funding	2016-17	2017-18^	2018-19^
Equivalent Financial Assistance Grants (untied – includes local roads component)	1,890,000	1,890,000	1,890,000
Total	1,893,690	1,893,690	1,893,690

^ Indicative only.

Schedule 1 Attachment A: Landscape Priority Tasks

Site Location	Lawn Mowing	Garden Weeding	Garden Trimming	Spray Weeds in Building Cracks	Building Wash-downs	Emptying of Bins and BBQ Maintenance	Toilet Cleaning and Servicing
Cemetery	YES	YES	YES	YES	NO	YES - Paradise Site	YES
No.1 Quality Row	NO	NO	NO	YES	NO	NO	NO
No.2 Quality Row	YES	YES	YES	YES	NO	NO	NO
No.3 Quality Row	YES	YES	YES	YES	NO	NO	NO
No.4 Quality Row	YES	YES	NO	YES	NO	NO	NO
No.5 Quality Row	YES	YES	YES	YES	YES	NO	NO
No.6 Quality Row	YES	YES	YES	YES	YES	NO	NO
No.7 Quality Row	YES	YES	YES	YES	YES	NO	NO
No.8 Quality Row	YES	YES	YES	YES	YES	NO	NO
No.9 Quality Row	YES	YES	YES	YES	YES	NO	YES
No.10 Quality Row	YES	YES	YES	YES	YES	NO	NO
No.11 Quality Row	YES	YES	NO	YES	YES	NO	YES
Old Military Barracks	YES	YES	YES	YES	YES	NO	YES
New Military Barracks	YES	YES	YES	YES	YES	NO	YES
Pier Area	YES	NO	NO	YES	NO	YES	YES
Emily Bay – Point Hunter	YES	NO	NO	YES	NO	YES	YES

Site Location	Lawn Mowing	Garden Weeding	Garden Trimming	Spray Weeds in Building Cracks	Building Wash-downs	Emptying of Bins and BBQ Maintenance	Toilet Cleaning and Servicing
Sports field	YES	NO	NO	YES	NO	YES	NO
Lumberyard Amenities Block	NO	NO	NO	YES	NO	NO	YES
Prisoner's Barracks	YES	YES	NO	YES	NO	YES	NO
New Gaol	YES	YES	NO	YES	NO	NO	NO
Rest of Site	YES*	NO	NO	YES	NO	NO	NO

* Refer to Attachment D – Lawn Maintenance Schedule

Additional information regarding service delivery requirements:

Works	Notes
Lawns	Refer to Attachment D – Lawn Maintenance Schedule - Zones In general lawn mowing is to occur to meet the prescribed maintenance standard (Map 1), rather than a fixed schedule. This means that mowing will occur less frequently in low growth periods (i.e. winter) compared to spring/summer. The height of grass should be maintained within the range corresponding to its zoning. For example: • Zone 1 (High Maintenance) Quality Row, Goal compound and other high public access and BBQ areas. Grass is to be maintained between 40 – 70 • Zone 2 (Moderate maintenance) – General recreation and public access grass is to be maintained between 50 – 80mm • Zone 3 (Low maintenance and Selective mowing) maintain between 50-100mm large scale open areas or those routinely grazed by cattle., i.e. land around the serpentine near the Quarry). Selective mowing to define preferred routes for pedestrians through otherwise natural areas. The KAVHA Manager can consult with the Commonwealth Heritage Manager (CHM) on the preferred routes • Zone 4 – mowing exclusion zone. Mowing staff can exercise judgement on the appropriate late summer mowing regime to manage army grub infestations Zone 1 Lawns should also be treated for weed infestation and edges should be whipper snipped in preference to herbicide

Works	Notes
	treatments, unless by agreement with the contract manager (CHM). Mowing operations should avoid leaving large amounts of cut debris on the surface. When this occurs the excess material must be collected and removed. Grass clippings must be swept or blown off pathways..
Weeding	Weeding should be undertaken by hand only as needed in formal gardens. In order to limit the needs for such activities, mulch and/or underlays should be used in gardens to suppress weed growth. Large areas of weeds in ruins can be treated with herbicide by accredited staff according to best practice principles to avoid non target impacts to vegetation and other heritage fabric, and ensure safety to operators, residents, staff and visitors. All herbicide applications should be recorded and provided to the contract manager on request. The information must include as a minimum; operator name, product used, rate of application, areas treated, date and weather conditions. Records should be retained for at least 12 months, or in accordance with regional council procedures (whichever is longest).
Trimming of Garden	Gardens - trees and bushes, should be trimmed only as needed, with clippings used as mulch on the gardens or not discarded over walls or in open areas. Larger clipping should be disposed of off-site or utilised as fire wood in BBQ's if aged.
Spray Plants in Building Cracks	Works to be undertaken yearly, ideally at same time that wash downs are undertaken. Plants are to be treated in all structures with a general purpose herbicide, preferably a touch treatment and not a spray, to minimise chemical contact with fabric. Plants are not to be pulled from cracks and joints, as this can dislodge additional material and worsen condition. Areas where large plants have been treated should be patched and painted the following year as needed and noted during inspections.
Wash-downs	Building wash downs should be undertaken following the spraying of any plants within the structures and follow the current practices for such works.
Litter/Bins/BBQ's	These should be emptied as needs, with lower use periods requiring longer intervals between emptying, to a minimum of once per week. Wood for BBQ's should be replenished as needed, alternatively a wood store could be maintained, with those wishing to use the BBQ's drawing wood from a central store, limiting the need for staff hours in replenishing all the BBQ's.
Toilets	Replenishment of materials should be made only as needed and to ensure this, larger capacity containers for toilet rolls, soap etc. may require sourcing. Cleaning of toilets should follow current routines to ensure public health standards.
Cleaning	Vacant buildings should be opened at least monthly to allow air circulation and all rooms scanned to identify urgent repairs or cleaning requirements. These should be reported to the Commonwealth Heritage Manager immediately.

Schedule 1 Attachment B: Asset Maintenance Priority Tasks

Priority is to be given to, water leaks, roofing and weather seals before other works. Works are to be progressed as funds and resources permit commencing with Priority 4 (highest). Reporting on each task completion to be made to the Commonwealth Heritage Manager.

Site Codes			Site Name	Sub Site Name	Priority	Works Requirement
Roofing						
H	1	A	Surgeon's Quarters	Roof	4	Replace rotten ridge capping
H	1	B	Surgeon's Kitchen	Roof	4	Replace rotten ridge capping
H	30	A	Royal Engineer's Office	Roof	4	Replace rotten ridge capping
H	30	B	Royal Engineer's Stables	Roof	4	Replace rotten ridge capping
H	32		Double Boat Shed	Roof	4	Replace rotten ridge capping
H	34		Police Office	Roof	4	Replace rotten ridge capping
H	35		Flag houses	Roof	4	Replace rotten ridge capping
H	38		Constables' Quarters	Roof	4	Replace rotten ridge capping
D	7	A	Main Building	Roof	4	Leak in verandah roof at NE corner of new work
G	5	G	Vestry	Roof	4	Repair/replacement of roof shingles
H	34		Police Office	Roof	4	Replacement of nails in shingles due to failure
H	35		Flag houses	Roof	4	Replace rotten ridge capping

Site Codes			Site Name	Sub Site Name	Priority	Works Requirement
H	38		Constables' Quarters	Roof	4	Replace rotten ridge capping
Weather Seals						
D	9	A	Main Building	Archive Room	4	Weather seals for all three archive room doors
H	23		Beach Store	Ground Display	4	Weather seals for hoist doors.
H	23		Beach Store	First Display	4	Weather seals for hoist doors. Verandah door frame rotting and cracking away.
Water Quality						
A	1	A	Government House	Breakfast Hall	4	Some water ingress via sky light
H	30	A	Royal Engineer's Office	North Office	4	Water leak near window impacting on original floor
A	1	A	Government House	Staff Bathroom	4	Locate and deal with roof leak
D	5	A	Main Building	Bath Rear	4	Roof leaking
D	8	A	Main Building	Kitchen	4	Potential roof leak above rear of kitchen
D	12	J	Magazine	Magazine	4	Remove wasp nest from roof north face
H	30	A	Royal Engineer's Office	North Office	4	Water leak from chimney leaking onto original fabric
A	1	A	Government House	Sitting/Nursery	4	Locate and patch leak to chimney
A	1	A	Government House	Sitting West	4	Check Chimney leak
A	1	A	Government House	Kitchen	4	Address chimney leak issues either directly or via a water catching and redirection measure
Fabric Sealing						

Site Codes			Site Name	Sub Site Name	Priority	Works Requirement
D	10	A	Main Building	South Elevation	4	Perspex square to be glued to outside of window to protect window etching
Flooring						
A	1	A	Government House	Kitchen	4	Begin planning for removal and reinstatement of original floor, with restoration as necessary
D	5	B	Annex	Kitchen	4	Remove water damaged flooring
D	5	B	Annex	Servant's Room	4	Remove water damaged flooring
D	5	B	Annex	Bathroom	4	Remove water damaged flooring
D	5	B	Annex	Store Room	4	Remove water damaged flooring
D	11	A	Main Building	Hall	4	Carpets need to be removed from hall
D	11	A	Main Building	Front Bed	4	Borer attack along south wall, boards need replacing
D	11	A	Main Building	Rear Bed	4	Major water attack in corners, boards need replacing
D	11	A	Main Building	Dining	4	Major water attack in corners, boards need replacing
D	12	A	Soldiers' Barrack	Clerks Room	4	Water damaged rotting carpet
D	12	G	Hospital	Rear West	4	Carpet rotting remove
D	12	K	West Officers' Outbuilding	Store	4	Rotting carpet to remove
Stone and Plaster Work						
D	3	A	Main Building	North Elevation	4	Patch major holes in west elevation

Site Codes			Site Name	Sub Site Name	Priority	Works Requirement
D	6	A	Main Building	Laundry	4	Heavy algal growth under lost paint - may need damp treatment
D	6	A	Main Building	Courtyard	4	Courtyard dividing wall needs repairs
D	7	A	Main Building	East Elevation	4	Subsidence and sagging of verandah. Lift concrete pavers to north and refill under original pavers then reset whole
D	7	A	Main Building	South Elevation	4	Subsidence and sagging of verandah. Lift concrete pavers to north and refill under original pavers then reset whole
D	10	B	Annex	South Elevation	4	Holes in plaster wall on south face - needs proper attention - cement has caused weak spots and heavy erosion.
D	12	K	West Officers' Outbuilding	North Elevation	4	Patch hole in plaster on wall to compound wall
A	1	A	Government House	Main Cellar	4	Salt attack opposite stairs from hall. Seek expert advice on treatment
A	1	B	Stables	Store Room	4	No stacking of materials on original plasterwork. Damp treatment fo room may be required - seek expert advice
A	3	B	Straight Channel	Straight Channel	4	Repointing of stonework in channel
A	3	C	1941 Channel	1941 Channel	4	Progress filling of remainder of channel - pursue EIS for remainder of work for DA approval.
D	3	A	Main Building	South Elevation	4	Stabilise front steps handrail
Painting						
A	1	A	Government House	Secondary Cellar	4	Paint blistering badly

Site Codes			Site Name	Sub Site Name	Priority	Works Requirement
A	1	A	Government House	Staff Bathroom	4	Repaint ceiling
A	1	A	Government House	Sitting West	4	Repaint room, especially ceiling
A	1	A	Government House	Main Cellar	4	Lime paint coming away in all rooms. Entire cellar may need damp treatment - seek expert advice
D	6	A	Main Building	Dining	4	Bubbling and paint loss and paint loss
D	6	A	Main Building	Laundry	4	Bubbling and paint loss and paint loss
D	10	A	Main Building	Dining	4	Cracking/peeling paint
D	11	A	Main Building	Men's Toilet	4	Pain on east wall bubbling and falling away
D	11	A	Main Building	North Elevation	4	Paint loss
D	11	A	Main Building	West Elevation	4	
D	16	A	Soldiers' Barrack	Ground West	4	Paint has severe blistering in NW corner. Repaint and room if deemed necessary
G	5	G	Vestry	Display Hall	4	NE and SE corners, NE especially bad, may require damp treatment
H	24		Settlement Guard House	Interior	4	Entire interior requires repaint
H	30	A	Royal Engineer's Office	Kitchen	4	Paint badly degraded
H	30	A	Royal Engineer's Office	Main Room	4	Paint badly degraded
Security						
D	2	B	Annex	Privy	4	Investigate NIGC open and closing of duplex to protect fabric from vandals

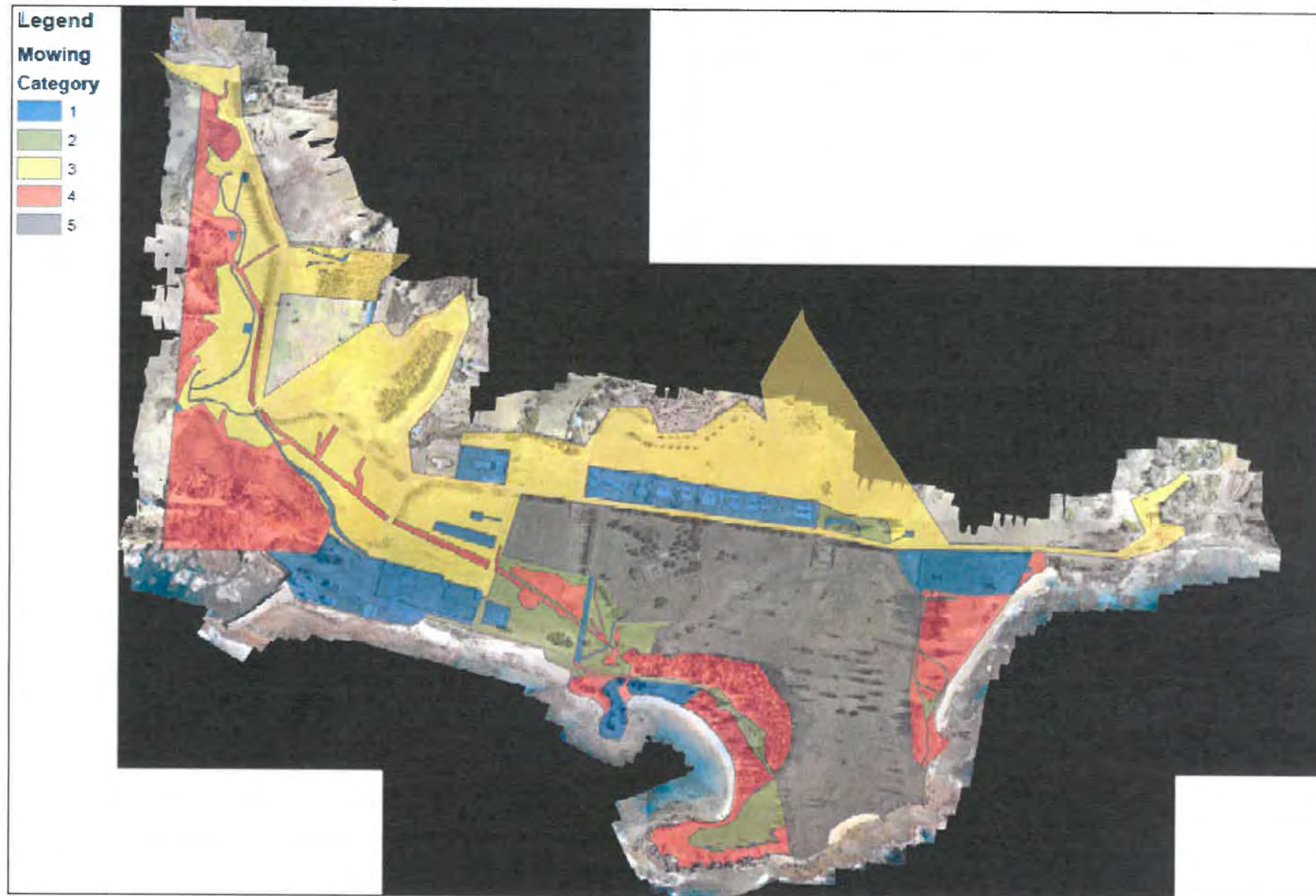
Schedule 1 Attachment C: Other Maintenance Priorities (for when capacity outside of peak activity periods)

Works are to be progressed as funds and resources permit, with reporting on each task completion to be made to the Commonwealth Heritage Manager.

Site Codes		Site Name		Sub Site Name	Works Requirement
Landscaping General					
D	5		Commissariat Storekeeper's Quarters	Commissariat Storekeeper's Quarters	Extend trenches around house, keep shallow. Connect small trench at retaining wall to trench near laundry to protect annex. Lawn needs weed treatment.
M	12		Tobacco Patch	Tobacco Patch	Dumping of material in area to end, material to be used on site or sold for off-site use. All calcarenite to be retained in new store - investigate suitable location
M	13		Watermill Complex	Watermill Complex	Use fill to make a small <20cm mound in order to direct water away from pouring into ruins and instead directly into lower race channel.
A	1	J	Milking Yard	Milking Yard	Cut paw paw out but do not dig up roots.
D	12		Old Military Barracks	Old Military Barracks	Remove trees from privy exit at back of officers outbuilding and palms at rear of compound
D	16	B	Officers' Quarters	South Elevation	Remove pine tree from garden
D	6	A	Main Building	Courtyard	Remove fig from courtyard
Traffic Management					
J	6		Bay Street	Bay Street	Take stone from SE corner of quarry and make barrier to speed hump to prevent new track being formed. Use additional stone from dumps as necessary
A	3	D	First - Open channel and cut	First - Open channel and cut	Use rubble fill (calcarenite) from dumps to provide enough infill to block this route to vehicles

Site Codes			Site Name	Sub Site Name	Works Requirement
A	4	E	Bridge IV	Bridge IV	Install chain across south end of bridge to prevent vehicular traffic use. Do not attach chain to stone work - use free standing posts.
A	6		Chimney Hill quarry	Chimney Hill quarry	Take waste stone from dump at Watermill and place in original creek cutting between GH and Quarry Hill to prevent vehicle access through gap.
J	6		Bay Street	Bay Street	Throw a new brown fence barrier from existing fence at Foundation Day site to speed hump to prevent new track being formed
H	45	A	Overseer's Quarters	Overseer's Quarters	Access by vehicles must be prevented
H	45	B	Service Building	Service Building	Access by vehicles must be prevented
H	45	C	Rear Outbuilding	Rear Outbuilding	Access by vehicles must be prevented
H	45		Overseer's Quarters	Overseer's Quarters	Access by vehicles must be prevented
H	46	A	Main Building	Main Building	Access by vehicles must be prevented
H	46	B	Kitchen (I)	Kitchen (I)	Access by vehicles must be prevented
H	46	C	Outbuildings	Outbuildings	Access by vehicles must be prevented
H	46	D	Kitchen (II)	Kitchen (II)	Access by vehicles must be prevented
H	46		Principal Overseer of Convicts' Quarters (II)	Principal Overseer of Convicts' Quarters (II)	Access by vehicles must be prevented
H	47		Overseer's Duplex	Overseer's Duplex	Access by vehicles must be prevented
H	48		Salt House (I)	Salt House (I)	Access by vehicles must be prevented
H	49		Salt House (II)	Salt House (II)	Access by vehicles must be prevented

Schedule 1 Attachment D: Lawn Mowing Schedule – Zones





Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

Mr Andrew Roach
General Manager
Norfolk Island Regional Council
PO Box 95
New Military Barracks
Norfolk Island 2899
e: Andrew.roach@nirc.gov.nf

Dear Mr Roach,

The current Service Delivery Agreement (SDA) between the Commonwealth and the Norfolk Island Regional Council (NIRC) is due to end on 30 June 2020. Under clause 1.1 of the SDA, the Department of Infrastructure, Transport, Regional Development and Communications (the Department) proposes to extend this agreement for a further 12 months to 30 June 2021. Clause 1.3 allows for the SDA to be varied with agreement from both Parties. Schedule 1 of the SDA has been revised following a review conducted by NIRC and the Department and is attached to this letter. In order to confirm NIRC's agreement to the extension of 12 months and the revised Schedule 1, please sign the agreement at Attachment 1 to satisfy clauses 1.1 and 1.3 of the SDA.

As you are aware, Service 11: Workers Compensation will transition out of the SDA in the 2020-2021 Financial Year and this transition is reflected in the revised Schedule 1 at Attachment 3. The Department would like to take this opportunity to thank NIRC for delivering this service under the SDA since 2016.

Please note that corrective services fees for inmates in NSW will continue to be delivered under the SDA to 30 June 2021 however, payments will continue to be made directly to Corrective Services NSW, as outlined in the Corrective Services variation on 9 August 2019.

In addition, Attachment 2 provides details of the Department and NIRC's respective obligations in relation to workplace health and safety under the *Work Health and Safety Act 2011* (Cth) (Work Health and Safety Act). This letter and all attachments will again form part of the SDA, extended to 30 June 2021.

The Department would like to extend its sincere appreciation to NIRC for continuing to deliver services on behalf of the Commonwealth and recognises NIRC's important role in delivering services to Norfolk Island. The Department looks forward to continuing to work together with NIRC in partnership.

Yours sincerely
s22(1)(a)(ii)

Nicole Pearson
Assistant Secretary
Norfolk Island and ACT/NT Branch
Territories Division

30 June 2020

Attachments

Attachment 1 – Agreement to extend the SDA for 12 months to 30 June 2021

Attachment 2 – Work health and safety requirements under the SDA

Attachment 3 – Revised Schedule 1 and approved budget for 2020-21

Attachment 1: Agreement to extend the SDA for 12 months to 30 June 2021

The SDA made on the 24th day of June 2016 will be extended, by agreement, for a further 12 months to 30 June 2021 under clause 1.1. The revised Schedule 1 of the SDA, as attached at Attachment 3 of this letter will replace any previous versions of Schedule 1. These variations are made under clause 1.3 of the SDA. The extended SDA and revised Schedule 1 will commence on 1 July 2021.

Signatures

Signed for and on behalf of the)
 Department of Infrastructure,)
 Transport, Regional Development)
 And Communications.

s22(1)(a)(ii)

Nicole Pearson**Name of Signatory****Signature****In the presence of:**

s22(1)(a)(ii)

Name of Witness

s22(1)(a)(ii)

Signature of witness**Date**30 June 2021

Signed for and on behalf of the)
 Norfolk Island Regional Council by:)

s22(1)(a)(ii)

Andrew Leach**Name of Signatory****Signature****In the presence of:**

s22(1)(a)(ii)

Name of Witness

s22(1)(a)(ii)

Signature of witness**Date**30/6/20

Attachment 2 – Work health and safety requirements under the SDA

General Work Health and Safety Requirements

The Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) is obliged to provide and maintain, so far as is practicable, an environment for its employees and members of the public, that is safe and without risk to health.

As a condition of the SDA, DITRDC requires that:

- the Contractor's policies and procedures must reflect the requirements outlined in this document to ensure all those engaged by the Contractor, including Contractor employees and subcontractor employees, are aware of these responsibilities, requirements and processes
- any Contractor or subcontractors that may be engaged to perform a service on its behalf will at all times identify and exercise all reasonable and necessary precautions for the health and safety of all persons. This includes Contractor employees, DITRDC employees and members of the public who may be affected by the services the Contractor will forthwith comply with any and all directions by DITRDC relating to work health and safety. This includes the right for DITRDC to have site inspections carried out on its behalf.

Legislative Compliance

The Contractor must comply with and ensure that its employees, subcontractors and agents comply with any Acts, regulations, local laws and by-laws, Codes of Practice, Australian Standards and the Commonwealth Risk Management Policy as they are applicable to the SDA or the performance of the services under the SDA. The Contractor's policies and procedures must refer to and reflect the same.

Incident Notification

The Contractor must advise the DITRDC of all notifiable WHS incidents under Part 3 of the WHS Act, which occurred as a result of any undertaking listed in this SDA as soon as practicable following the incident.

The Contractor must and within three working days of any such incident provide a report giving complete details of the incident, including results of investigations into its cause, and any recommendations or strategies for prevention in the future.

Non Compliance

If during the performance of works under the SDA DITRDC informs the Contractor in writing that it is the opinion of DITRDC that the Contractor is:

- not complying with Primary Duty of Care requirements specified in s19 of the WHS Act
- not conducting the work in compliance with the Contractor's Work, Health and Safety Policy, Risk Management Policy, health and safety management procedures, relevant legislation or health and safety procedures provided by DITRDC from time to time, or
- conducting the work in such a way as to endanger the health and safety of Contractors employees or DITRDC's employees or its Contractors' and subcontractors' employees, plant, equipment or materials, the Contractor must promptly remedy that breach of health and safety.

DITRDC may direct the Contractor to suspend the work until such time as the Contractor satisfies DITRDC that the work will be resumed in conformity with applicable health and safety provisions.

During periods of suspension referred to above, DITRDC must not be required to make any payment whatsoever to the Contractor.

If the Contractor fails to rectify any breach of health and safety for which the work has been suspended, or if the Contractor's performance has involved recurring breaches of health and safety, DITRDC may as its option terminate the work forthwith, without further obligation to the Contractor.

s22(1)(a)(ii)

In this event, DITRDC's liability must be limited to payment for the work performed and costs incurred by the Contractor up to the time of termination or an earlier suspension of works.

Disputes on WHS Matters

Where there is a dispute on a WHS matter between DITRDC and the contractor, then after a reasonable period for negotiation (depending upon the nature and seriousness of the matter), the matter will be referred to the relevant statutory authority. Only written opinions from the relevant authorities will be accepted.

Responsibility of the Contractor

- (a) The Contractor will develop, adopt and implement policies and procedures that reflect and refer to the Commonwealth Risk Management Policy, Standards including AS/NZS 31000 and AS/NZS 4801, model Codes of Practice and applicable and relevant legislation and regulation in performing works under the SDA. The Contractor will undertake internal quality assurance to ensure that it complies with all such policies, procedures or measures. In the event of any inconsistency, the Contractor will comply with such procedures or measures as they produce the highest level of health and safety.
- (b) The Contractor will inform itself of all access and permit procedures implemented or adopted by DITRDC and/or the occupiers of any premises at or within which the Contractor will perform works under the SDA. The Contractor will comply with all such procedures; and in the event of any inconsistency, will comply with such procedures as they produce the highest level of health and safety.
- (c) The Contractor or subcontractor will develop and deliver work health and safety induction prior to commencing work for all personnel involved in a service, including Contractor employees at the Manager level.
- (d) The Contractor or subcontractor will familiarise themselves with the work area and any potential hazards prior to commencing work.
- (e) The Contractor will ensure an independent audit of its WHS management system is performed every 12 months, with results of the audit shared with DITRDC who will monitor the implementation of recommendations.

SCHEDULE 1 — SERVICES TO BE PROVIDED UNDER THIS AGREEMENT 1 July 2020 – 30 June 2021

Subject to the provisions of this Agreement, the Norfolk Island Regional Council (Council) agrees to provide the following Services:

PART A: SERVICE SPECIFICATION**Service 2: Legal Services, Deceased Estates and Probates**

Function	Services	Prerequisites	Standards/KPIs
Registrar and deputy registrar of Probates Curator and deputy curator of Deceased Estates Master of Lunacy	Administer legislative requirements under the <i>Administration and Probate Act 2006 (NI)</i> Manage register of grants of probate and administration Collection of public moneys relating to the service Appoint a Master of Lunacy under the <i>Lunacy Act 1932 (NI)</i>	Ex officio the Registrar and the Deputy Registrar of the Supreme Court in the absence of an appointment of the General Manager will hold the appointment for Registrar and Deputy Registrar of Probates. Any appointment should be a Council employee with appropriate administrative experience. Curator / Deputy Curator to be appointed to administer deceased estates. This is a separate appointment to Probates.	Probates – Implement a program to ensure legislative compliance. Maintain a complete and up to date register. Certify completeness annually Deceased Estates – Implement a program to ensure legislative compliance. Maintain accurate financial records and report quarterly to the Department on the number of matters handled and the amount of moneys collected

Service 3: Courts, Tribunals and Boards

Function	Services	Prerequisites	Standards/KPIs
Support for Administrative Review Tribunal	Administer legislative requirements Provide administrative support to the ART	Should be a Council employee with appropriate administrative experience.	Implement a program to ensure legislative compliance Report quarterly to the Department on the matters considered by the Tribunal
Support for Mental Health Tribunal	Administer legislative requirements Provide administrative support to the Mental Health Tribunal.	Should be a Council employee with appropriate administrative experience.	Assist with the implement a program to ensure legislative compliance Assist with timeliness of completion of casework and with the appropriateness of outcomes achieved Report quarterly to the Department on matters handled by the Tribunal
Statutory Appointments	Manage statutory appointments relating to Commonwealth funded state type services including records relating to tenure, providing options and recommendations for candidates for statutory roles, maintaining records etc.	To have appropriate administrative experience	Completeness of records relating to appointments Adequacy of work undertaken to identify and review candidates for roles Timeliness of recommendations for roles Report quarterly to the Department on number appointments / reappointments / revoked appointments

s22(1)(a)(ii)

Clerk of the Coroners Court	Administer legislative requirements Receive information, issue summonses and administer oaths Provide administrative / registry support for Coroner / Deputy Coroner	Clerk should have experience in courts administration	Implement a program to ensure legislative compliance Timeliness of summonses Timeliness of completion of casework Completeness of record keeping Annual summary of activity including the nature and status of new / existing and closed inquests and inquiries.
Support for the rule making committee	Assist the rule making committee as required	The rule making committee consists of the Chief Justice of the Supreme Court, the other Judges of the Supreme Court and the Chief Magistrate. The secretary of the rule making committee is the Deputy Registrar based in Sydney	Timeliness of assistance to the committee Report quarterly to Department on the assistance provided
Legal Aid Fund	Administer the Legal Aid Fund established under Part 4 of the Legal Aid Act 1995 (NI). Make timely payments on decisions about eligibility for legal aid made by the Administrator.	Funds to be transferred following the instruction from the Office of the Administrator or the Department	Timeliness of completion of payments and account reconciliation. Report on balance of funds quarterly
Authorised person for the purpose of the Removal of Prisoners Act 2004 (NI)	Administer legislative requirements Require person subject to imprisonment to be conveyed to or from NSW	To be a magistrate, registrar or deputy registrar of Supreme Court or Court of Petty Sessions, sheriff, registrar or deputy registrar of a Federal Court Experience in criminal law, or criminal courts administration	Implement a program to ensure legislative compliance and timely provision of paperwork.

s22(1)(a)(ii)

Debt recovery	Administer legislative requirements Various legislation that is the responsibility of the Council provides that unpaid amounts are debts recoverable in a court Collection of public moneys relating to the service	Not applicable	Implement a program of debt recovery and pursue enforcement action under the legislation if required. Have a defensible policy basis for pursuing debt recovery such as a Compliance Policy, available upon request Actively manage conflicts of interest Timeliness of completion of casework High percentage of debts recovered in matters that do not require proceedings before a court. Maintain accurate financial records and report quarterly to the Department, outlining the number of court orders / fines issued and the status of debt recovery action for each item.
Clerk and Deputy Clerk of the Court of Petty Sessions	Administer legislative requirements including: - Accepting bail undertaking - Providing evidentiary certificate of nonattendance at court - Granting bail to a person requiring immediate treatment for a mental health condition Provide other administrative and registry support to the Chief Magistrate and Lay Magistrates, including arranging the business of the court, keeping records (including of court orders), forwarding orders as required.	Clerk should have experience in courts administration	Maintain accurate records of the courts activities, including an up to date record of court orders and court imposed fines Maintain accurate financial records and report quarterly to the Department Report quarterly to the Department on: - Number of notices, orders, sentences, registrations etc - administrative and registry support provided Report data on number of hearings/sittings quarterly to the Department including: - Whether full or half day - Number of matters considered / dealt with during the sitting - Number of lay magistrates in attendance

s22(1)(a)(ii)

Service 5: Registry, Licencing and Regulatory Enforcement

Function	Service	Standards / KPIs
Motor vehicle registration	Administer legislative requirements Maintain register of motor vehicles (including cars, trucks, motor cycles, trallers etc.) Process new registrations, registration renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Report quarterly to the Department the number of registered vehicles and types Maintain access for Norfolk Island Police Force to vehicle registration information to allow enforcement. Report quarterly to the Department accurate financial records
Drivers Licences	Administer legislative requirements Maintain register of persons authorised to operate motor vehicles Process new licences, annual renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timely follow up of expiring/expired licences Maintain access for Norfolk Island Police Force to database to allow enforcement
Land Titles Registrations	Administer legislative requirements including: Maintain register of land titles Undertake registration and transfers of land Collection of public moneys relating to the service titles	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of title registrations and transfers
Companies Register NB: This position will be abolished when the <i>Companies Act 1985 (NI)</i> is repealed upon application of <i>Corporations Act 2001</i> to NI	Administer legislative requirements Maintain companies register Process new registrations, renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance where the Registrar has the power to enforce compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register Ensure completion of transitional arrangements under the Corporations Act.

s22(1)(a)(ii)

Registrar of Supreme Court	Administer legislative requirements Organise sittings of the court Maintain register of JPs Register approved mediators	To have experience in courts administration	Implement a program to ensure legislative compliance Ensure the completeness and accuracy of registers, including the registers of JP's and mediators. Report quarterly to the Department on: - number of hearings / sittings - Number of charges and cases - Use of Audio visual link (AVL) - Number of JP's and mediators on register
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Function	Services	Prerequisites	Standards/KPIs
Companies Auditors Authority NB: This position will be abolished when the <i>Companies Act 1985 (NI)</i> is repealed upon application of <i>Corporations Act 2001</i> to NI	Administer legislative requirements Register company auditors and liquidators Collection of public moneys relating to the service	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping Maintain accurate financial records and report quarterly to the Department on moneys received during the period.
Registrar and Assistant Registrar of companies NB: This position will be abolished when the <i>Companies Act 1985 (NI)</i> is repealed upon application of <i>Corporations Act 2001</i> to NI	Administer legislative requirements Keep registers of documents, register companies and names, register prospectuses, certify that no breach of the Act	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping
Registrar of Brands and Marks	Administer legislative requirements Keep register of owners' brands and marks placed on livestock Collection of public moneys relating to the service	Should be a public servant with appropriate administrative experience	Implement a program to ensure legislative compliance Completeness of record keeping Maintain accurate financial records and report quarterly to the Department on monies received during the period.
Registrar and Deputy Registrar of Lands Registrar of Titles	Administer legislative requirements Registration of powers of attorney Keep and make changes to the register of lands Collection of public moneys relating to the service	Should be Council employees with appropriate administrative experience.	Implement a program to ensure legislative compliance Completeness of registers

s22(1)(a)(ii)

Associations	Administer legislative requirements Maintain register of associations Process new registrations, renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register Report quarterly to the Department on the number of new associations registered
Registrar of Births, Deaths and Marriages	Administer legislative requirements Maintenance of register births deaths and marriages on Norfolk Island or notified Process new registrations and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register Report quarterly to the Department: - number of registrations in each category - timeframe taken to process new registrations and request for changes - any moneys collected
Liquor Licencing	Administer legislative requirements Maintain register of licence holders Process new licences, annual renewals and requests for changes by customers Collection of public moneys relating to the service	Implement a program to ensure legislative compliance Completeness and accuracy of register Timeliness of completion of registrations and amendments to register Report quarterly to the Department: - number of new licences or renewals processed. - Moneys collected
Workplace Safety	Administer legislative requirements Perform the function on an inspector as per section 57(1) of the Employment Act 1988 (NI) Conduct workplace inspections where matters regarding safety come to the attention of a person under section 55 (1) of the Employment Act 1988 (NI) Complete prosecutions, enforcement and monitoring processes as required	Implement a program to ensure legislative compliance Responsiveness to workplace safety related matters Completion of monitoring program Timeliness of completion of casework Report quarterly to the Department • Number of matters investigated

s22(1)(a)(ii)

Service 7: Kingston and Arthurs Vale Historic Area (KAVHA) and Museums

Function	Services	Standards/KPIs
KAVHA Landscape and garden maintenance	Maintenance priorities as agreed between the Department and Council.	Monthly meetings (and as otherwise required) to be held with the Heritage Manager to discuss progress against work program Adhere to legislative requirements, including the <i>Tree Act 1997 (NI)</i> and the <i>Public Reserves Act 1997 (NI)</i> Work collaboratively with the Department to transition in the activities identified in the Cultural Heritage Landscape Management Plan where these are cost neutral. Prior to Q1 2020-2021 quarterly report, agree a template for ongoing quarterly reporting with the Department.

s22(1)(a)(ii)

Service 6: Emergency Services

Function	Services	Standards/KPIs
Community Fire	Provide community fire service which responds to emergencies Collection of public moneys relating to the service	24/7 response availability Maintenance of 000 emergency number Maintenance of assets (including fire trucks) to an appropriate response standard All officers to be appropriately qualified to respond to fire and qualifications are kept current

Function	Services	Standards/KPIs
KAVHA Interpretation and Public Programs	Operate from Commonwealth's KAVHA site to provide resources to assist visitors to understand the KAVHA site and research family connections Visitor Research and Information Centre opening hours agreed by Council and the Department. Collect public moneys relating to the service	Monthly meetings (and as otherwise required) to be held with the Heritage Manager to discuss research activities, resolve issues and identify opportunities for collaborative action with the Department or other stakeholders. Consult with the Heritage Manager on the development of a 1-3 year plan for a rolling program of exhibitions, public programs and promotions to enable planning and coordination of site activities and engage support from the Department. New or re-printed promotional and interpretation materials which are funded in full or part by the SDA budget are to be branded with current 2020 KAVHA branding. Work collaboratively with the Heritage Manager and Departmental staff to support the development of interpretation and presentation of, KAVHA, including the following activities: - To develop and deliver an integrated interpretation plan, education policy and visitor experience strategy as this relates to museums and research centre activities - Facilitate use of KAVHA buildings and facilities for community use - Facilitate the use of the KAVHA based research facilities and archives focused on enabling a greater of KAVHA, its buildings, history and stories for all users. Identify and advise the Heritage Manager on issues and seek support for opportunities to improve the financial return and viability of activities including building use (e.g. hire of No. 9 Quality Row) and visitor experiences Commonwealth Officers and their nominees are to be granted unrestricted access to Commonwealth assets in the performance of their duties as and when required. The Commonwealth Heritage Manager will hold keys and have access to all Commonwealth owned buildings at KAVHA including all Museum buildings at his/her discretion. Prior to Q1 2020-2021 quarterly report, agree a template with the Department for ongoing quarterly reporting submitted to the Department.

s22(1)(a)(ii)

KAVHA Facilities Maintenance	Administer legislative requirements Asset Maintenance activities as described in the corrective and routine maintenance program agreed between the Department and Council.	Adhere to legislative requirements and the Commonwealth, National and World Heritage management principles as they relate to KAVHA asset maintenance and management. Works staff to possess relevant qualifications or skills with experienced supervision to be provided Monthly meetings (and as otherwise required) to be held with the Heritage Manager to discuss progress against work program. Work collaboratively with the Department's on island team, including by: - Transitioning in the requirements of the KAVHA Materials Palette and the Maintenance Manual, where these are cost neutral - Seeking advice from the Heritage Manager during development of job specifications and position descriptions for KAVHA works crew who are funded by the SDA. - Providing a breakdown of salaries and wages allocated to each of the positions in the works crew (de-identified). Prior to Q1 2020-2021 quarterly report, agree a template with the Department for ongoing quarterly reporting submitted to the Department covering the following: - Status of each item on the corrective and routine maintenance program (e.g. complete/underway/not started) - Un-programmed maintenance activities that have been completed, including reactive and breakdown tasks - Information on material, inventory and plant that have been used to complete the maintenance activities - Estimate of actual hours which have been spent on the specified maintenance functions (e.g. mowing, cemetery maintenance, garden maintenance, painting, carpentry, garbage collection, general maintenance).
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s22(1)(a)(ii)

Function	Services	Standards/KPIs
KAVHA Museums — KAVHA/Sirius Collections (continued)		Prior to Q1 2020-2021 quarterly report, agree a template for monthly reporting with the Heritage Manager which enables communication of data and analysis on: • newly discovered material and items accessioned in to the collections • visitor numbers to each museum and the research centre • visitor demographics • visitor feedback, including from website and social media interactions • Income from museum and research centre operations, broken down as follows: retail from sale of stock; entry fees; tours and ticks; research centre; venue hire from No.9; other sundry income • environmental monitoring data for occupied buildings, including logs of temperature and humidity data and evidence of a system of light level monitoring for displays and advise of concerns and actions. New or re-printed promotional and interpretation materials which are funded in full or part by the SDA budget are to be branded with current 2020 KAVHA branding. Commonwealth Officers will have unrestricted access to Commonwealth owned buildings operated by Museums in the performance of their duties as and when required.

s22(1)(a)(ii)

Function	Services	Standards/KPIs
KAVHA Museums — KAVHA/Sirius Collections	Work in collaboration with the Department to meet legislative requirements. Operate the Commonwealth's museums and manage the KAVHA and Sirius collections. Commonwealth acknowledges the Inalienable nature of the Norfolk Island Museum Trust (NIMT) Collections. Council and NIMT to develop a management and maintenance agreement for the Norfolk Collection, noting the Norfolk Collection is not a Commonwealth collection. The Norfolk Collection may continue to be housed within the Commonwealth's museums. Subject to agreement between NIRC and NIMT, the Commonwealth supports a collaborative approach to the management and maintenance of NIMT managed and maintained collections housed and interpreted within Commonwealth buildings. Museum hours of operation agreed by Council and the Department - All museums open on days when cruise ship passengers are present on island agreed by Council and the Department. Collect public moneys relating to the service Act as Minister's delegate for management of the HMS Sirius wreck site. Develop and deliver a quarterly program of exhibitions, public programs and promotions which tell the story of Norfolk Island and KAVHA covering all periods from Polynesian through to Pitcairn.	Work collaboratively with the Department to conserve, protect and present museum collections and KAVHA, including by: - satisfying legislative and administrative requirements to implement the management plans and Commonwealth, National and World Heritage management principles as they relate to the KAVHA collection and the HMS Sirius wreck site and artefact collection. Management is to be guided by legislative instruments including the Environment Protection and Biodiversity Conservation Act 1999, the Underwater Cultural Heritage Act 2018 and the Protection of Movable Cultural Heritage Act 1986. - facilitating and supporting access to museum activities and collections management for Commonwealth staff and their agents and consultants as and when required - developing and implementing an Induction plan for museum staff and volunteers which sets out the roles and responsibilities of the Commonwealth, Council, the Heritage Manager and others, as well as the expectations and requirements for public comment related to services provided under this SDA by 30 September 2020. Manage the museums in accordance with industry standards and Museums Australia and the International Council of Museums All newly discovered material and collection items to be prioritised for accession into the KAVHA Collection and accessioned on the basis of this prioritisation. Significance assessments to be completed for all new acquisitions. Donations, loans and grant applications to be discussed with the Heritage Manager Monthly meetings (and as otherwise required) to be held with Heritage Manager to discuss museum activities, resolve issues and identify opportunities for collaborative action with the Department or other stakeholders. In particular, these meetings are to consider areas of concern in relation to the services provided under this SDA and the management of KAVHA more generally. Implement customer survey and feedback processes by 30 October 2020 to obtain qualitative and quantitative and survey data on the visitor experience, services and exhibitions provided as well as visitor demographics.

s22(1)(a)(ii)

Service 10: Pest, Disease and Noxious Weed Control

Function	Services	Standards/KPIs
Pest, disease and Noxious Weed Control	Deliver Pest and Noxious Weed Service on State / Federal Invasive species as agreed by the Department, including Argentine Ants. Provide a program to the Department for endorsement and carry out a program of work in accordance with this plan. Management of pest and disease incursions on Norfolk Island that are not emergency plant or animal pests or diseases, as agreed by the Department. Prepare a program of work to manage new pest and disease incursions as agreed by the Department.	Develop a program in accordance with the Argentine Ant Eradication Strategy Norfolk Island, 2018 – 2023 (the Strategy), or any updated documentation prepared by CSIRO and agreed by the Department. Carry out program of works in accordance with the Strategy. Attend and contribute to the Argentine Ant Steering Committee Provide reporting on the zones that have been treated and the proposed forward 6 months' plan, in accordance with the Strategy. Information is delivered to the community including factsheets on new pest incursions that are not emergency plant or animal pests or diseases. Deliver a program to manage new pest incursions as agreed by the Department.

Service 8: Information Communications Technology (ITC) Support – SDA Functions

Function	Services	Standards / KPIs
ICT Support	Provide ITC support to services delivered under this Service Delivery Agreement	Timeliness of response to support requests. Report quarterly to the Department the type of ITC support provided for services delivered under this Service Delivery Agreement

Service 9: Gaming

Function	Services	Standards / KPIs
Gaming	Collect commissions in relation to the sale of Lotteries tickets	Timely collection of revenue in accordance with appropriate commission rates Agreement with Tattersall's Sweeps Pty Ltd remains current

Service 12: Ports Management

Function	Services	Standards/ KPIs
Port Management	Manage the use of the maritime ports including port related infrastructure, the loading and unloading of ships and the use of the ports for commercial and recreational purposes in accordance with the provisions in force of <i>Marine Safety Act 2013 (NI)</i> Collection of public moneys relating lighterage services.	Implement a program to ensure port users comply with relevant Workplace Health and Safety requirements and staff are appropriately trained and qualified. Including high risk work licences for doggers when using the Dock Crane. Specific requirements include: - Council to ensure maintenance of the Dock Crane and Cascade Pier is undertaken in accordance with the Advisian Pty Ltd Maintenance Schedules and evidence of maintenance is submitted to the Department on each SDA reporting period; - Council will ensure any maintenance tasks relating to the Dock Crane and Cascade Pier are to be oversighted by a suitably qualified and competent person; - Council will provide regular maintenance at Kingston and Cascade Piers. Including cleaning and removing detritus, cleaning of slippery marine growth from all access points from the ocean side to pier, and inspecting each location for damage. Cleaning must be conducted at a frequency required to maintain the areas free of marine growth. - Council will ensure only suitably qualified people can operate the Dock Crane at Cascade Pier and operations are to be undertaken in accordance with Advisian Pty Ltd Operations and Maintenance documents; - Council will maintain a register of all persons issued with a key for Dock Crane - Council will implement and maintain a register for users of the Dock Crane at the ports; - Council will ensure only suitably qualified persons undertake "dogger" duties, including unloading ships; - Council will maintain appropriate Insurance for the facilities at the ports on Norfolk Island. Council ensure staff and appropriately trained and are provided with refresher training as required. A register of training be kept. Develop and implement a framework to receiving and receipting payments and providing reports to the Commonwealth as required. Funding to offset Port Management expenses under the SDA.

s22(1)(a)(ii)

Service 11: Workers Compensation

Function	Services	Standards/KPIs
Workers Compensation	Administer the Norfolk Island Workers Compensation Scheme Collection of public moneys relating to the service Transition of functions to new provider and closure of existing service within agreed timeframes	Implement a program to ensure legislative compliance Timeliness of assessment and settlement of new claims Provide quarterly reporting including reporting on all Workers Compensation claims: Medical expenses Reimbursement of wages for patients Patient travel expenses Provide timely information as required to the new provider including, but not limited to, the following: - Data relating to levies (employer type, levy collection arrangements, scope of coverage) - Claims management (processes, employee and employer compliance activities, dispute data and practices) - Current claims unlikely to be finalised within transition period - Current processing arrangements and procedures (systems and data fields)

Service 13: Record Keeping

Function	Services	Standards/ KPIs
Record Keeping and Archiving	Manage the storage, archival and where necessary, retrieval of historical Commonwealth Records (all records pre- 1 July 2016) and records created and managed in relation to former and current services of this Service Delivery Agreement held by the Council	Implement a program to ensure legislative compliance Ensure records are catalogued, appropriated maintained and securely stored Timeliness of response to retrieve requests. Assist the Department to develop an Information Management Plan including attending weekly site meetings. Assist the Department and National Archives Australia to develop Authorisations under the <i>Archives Act 1983</i> for all Commonwealth records. Assist the Department in the movement of historical Commonwealth records to an archives standard storage facility.

Service 14: Spatial Policy and Planning

Function	Service	Standards/KPIs
Spatial Policy and Planning	A modern Planning framework for Land use planning is provided.	- Review of Norfolk Island Plan (NI Plan) under the <i>Planning Act 2002</i> (NI) - multiple 'housekeeping' amendments required pending broader review in light of Population Strategy and Environment Assessment Studies currently being prepared - Review all Development Control Plan's (DCP) in light of NI Plan 'housekeeping' amendments - Finalise DCP 6 Community Title and NI Plan amendments to implement it - Implement DCP KAVHA - Population Strategy - working with consultants on strategy - Ongoing Strategic Land Use Planning (Part A of NI Plan)

s22(1)(a)(ii)

Function	Services	Standards/ KPIs
Port Management (cont.)	Implement and update, as required, the Traffic Management Plans (TMP for cargo and cruise ship days) Management of the Norfolk Island First Points of Entry (FPOE) of Kingston and Cascade in accordance with the regulatory requirement of the <i>Biosecurity Act 2015</i> as outlined in the FPOE Biosecurity Standards for ports and landing places. Implement a program to comply FPOE Requirements under the <i>Biosecurity Act 2015</i> including waste management services. Maintain, update and Implement Maritime Security Plan (MSP) in accordance with the <i>Maritime Transport and Offshore Facilities Security Act 2003</i>	TMP: Implement and maintain barriers and other equipment required under the TMP Ensure compliance with TMP during cargo and cruise ship days FPOE Compliance: - Develop and adopt policies, procedures, training and other FPOE requirements, including the procurement, development, commissioning and maintenance of any infrastructure or facilities, to meet requirements under the <i>Biosecurity Act 2015</i> and associated Regulations and Standards; - Apply to the Department of Agriculture, Water and Environment for Approved Arrangement provider status no later than December 2020 unless otherwise agreed with the Department of Infrastructure; and - Undertake activities, in accordance with the <i>Biosecurity Act 2015</i> and any Approved Arrangements or approved policies and procedure, to manage the biosecurity risks. MSP remains current.

Service 17: SDA Management

Service	Standards / KPIs
SDA Management	Coordinate, communicate and report across the Service Delivery Agreement (SDA) contracts. Support the long term strategic growth of service delivery by overseeing the SDA Management objectives. Report to the Commonwealth on a regular basis on Standards / KPI and financial status for SDA service areas. Reporting periods being: Q1: July – September Report submitted no later than 15 November Q2: October – December Report submitted no later than 15 February Q3: January – March Report submitted no later than 15 May Q4: April – June Report submitted no later than 15 August. The reporting must address the Standards/KPI's for each service including details regarding how the Standards/KPI's were met and justification for Standards/KPI's that were not met.
Risk Management	Establish and implement a risk management framework that complies with the Commonwealth Risk Management Policy. In accordance with this Policy, the risk management system established should be aligned with and reflect existing standards and guidance including AS/NZS ISO 31000 – Risk management – principles and guidelines. All functions and services of the SDA are to be included in the risk management framework. These requirements are to be reflected in all relevant Council policies and procedures and other guiding documentation including those pertaining to risks (including WHS risks) and asset management. Provide a consolidated risk report addressing compliance against the nine elements of the Commonwealth Risk Management Policy as per the reporting periods stipulated under SDA Management, above. These requirements are to be quality assured by a risk and internal audit function.
Workplace Health and Safety	Please refer to Attachment 2 of the SDA extension letter dated 30 June 2020

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Service 16: Pensioner Rates Rebates

Function	Service	Standards/KPIs
Pensioner rates and rebates	In accordance with section 575 of the Local Government Act (NSW) (NI) eligible pensioners may apply for a reduction of a rate or charge levied on land on which a dwelling is located. The reduction is up to 50% of the rate or charge but is not to exceed \$250 or ordinary rates in any year (Depending on the individual's circumstances). In NSW, 50% of the amount written off under section 575 is recoverable from the NSW Government and therefore 50% of this amount can be claimed by the Council from the Commonwealth (section 581).	Demonstrate that the rebate has been correctly applied and provide adequate substantiation of the amount being claimed back.

Community Engagement	Promote, protect and improve public health for the Norfolk Island community	Establish program to provide community education and raise awareness to promote and improve community health in relation to: • Safety measures for drinking water • Legionella control • Public swimming pools and spa pools • Skin penetration procedures	Community awareness campaigns provided pursuant to the program established. Report quarterly to the Department a list of community education and awareness information released to the community. i.e. Council media releases
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Service 21: Ad-hoc and Demand Driven Services

Function	Services	Standard	KPI
Tourism Promotion	Destination Marketing	Destination marketing is carried out in accordance with contractual arrangement between Council and selected Marketing Firm	Increased passenger numbers to target identified by Council Report quarterly to the Department: - Monthly Status Reports provided to Council at each Ordinary Council meeting Provide to the Department prior to Q1 quarterly reporting, the Marketing plan for year 2020-2021

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Service 18: Public Health

Function	Services	Standard	KPI
Environmental Heath	Establish appropriate measures to ensure ongoing compliance with the requirements of the <i>Public Health Act 2010 (NSW)</i> in relation to: • Safety measures for drinking water • Legionella control • Public swimming pools and spa pools • Skin penetration procedures Assist water suppliers to develop and maintain individual water Quality Assurance, including facilitation of water testing in NATA accredited laboratory. Provide procedures for application, licencing and maintenance of register for regulated systems, and provide support to stakeholders in compliance.	Maintain a register of regulated systems on Norfolk Island. Adhere to oversight responsibilities, including providing direction notices, improvement notice, prohibition orders and penalties as required. Provide timely response to support requests from stakeholders.	If Council is a water supplier, or will become a water supplier, maintain a Quality Assurance Program Assist water suppliers to have a water Quality Assurance Program developed and maintained. Maintain regulated systems register Report quarterly to the Department on the number of compliance activities conducted during the period, including water testing conducted by Council and number of pool and spa inspections conducted during the reporting period.
Disposal of Bodies	Work with NIHRACS to maintain minimum requirements for mortuaries in line with: • <i>Public Health Regulations 2012 (NSW)</i>; and • <i>Local Government (General) Regulations 2005 (NSW)</i> (Sch 2, Part 4).	Establish procedures to conduct routine inspections of NIHRACS' mortuary to determine level of compliance in line with regulatory standards. Recognise and provide support for cultural sensitivities relating to this service.	Any compliance concerns are reported to the Department and NIHRACS management within 24 hours of identification. Report quarterly to the Department the number of inspections conducted during the reporting period.
Community Engagement	Council to identify, monitor and control potential public health risks in relation to: • Safety measures for drinking water • Legionella control • Public swimming pools and spa pools • Skin penetration procedures	Establish protocol to managing public health risks, including procedures to isolate risks and issue notifications, such as a Boil Water Alert.	Public health risks/events are controlled quickly. The Department informed of the risk/event within 24 hours of that risk arising.

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PART B: BUDGET - SERVICE DELIVERY

SDA Operational Plan - Annual Budget															updated at 30 June 2020	
Income Statement 2020/2021 - Service/Function Areas																
Sched. No.		PROGRAM	Rates & Annual Charges	User Charges and Fees	Int Revenue	Other Revenue	Total Revenue	Grant & Contributions	Total Income	Employee Benefits	Materials and Contracts	Dep'n	Other Expenses	Allocation of Overheads	Total Expense	Surplus/ (Deficit)
2		Legal Services, Deceased Estates & Probate		14,000			14,000	58,820	115,820	7,500	21,000		59,600	27,720	115,820	-
3		Courts/Tribunals/Boards & Statutory Appointments		13,000			13,000	184,605	199,605	75,000	34,000		58,300	32,305	199,605	-
5		Registry/Licensing & Regulatory		918,600		6,500	925,100	328,745	730,557	211,858	155,000		253,205	110,493	730,557	-
6		Emergency Services - Community Fire		13,000			13,000	640,762	662,762	255,324	9,000		78,800	119,638	462,762	-
7a		KAVHA Museums				177,000	177,000	646,713	725,213	511,691	14,460		148,293	50,769	725,213	-
7b		KAVHA Maintenance					-	1,082,812	1,082,812	779,158	120,000		132,540	51,114	1,082,812	-
9		Gaming		144,000			144,000	14,400	14,400	-	-		-	14,400	14,400	-
10		Pest & Noxious Weeds					-	499,150	499,150	107,000	161,000		177,000	59,150	499,150	-
11		Workers Compensation		201,750			201,750	316,869	316,869	44,000	76,500		125,625	70,744	316,869	-
12		Ports Management		772,000			772,000	1,535,341	1,535,341	562,369	46,000		699,920	227,052	1,535,341	-
13		Record Keeping					-	87,975	87,975	42,750	4,000		29,500	11,725	87,975	-
14		Spatial Planning					-	132,613	132,613	70,845	42,300		3,454	16,014	132,613	-
8		ICT Support					-	26,632	26,632	26,632	-		-	-	26,632	-
16		Pensioner Rebates					-	22,950	22,950	-	-		17,000	5,950	22,950	-
17		SDA Manager					-	149,279	149,279	143,816	-		4,046	1,416	149,279	-
18		Public Health					-	177,138	177,138	79,727	16,150		56,006	25,255	177,138	-
		Total	-	2,076,350	-	183,500	2,259,850	6,279,115	6,279,115	2,912,670	699,410	-	1,843,290	823,745	6,279,115	-

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PART C: BUDGET — OTHER FUNDING

Funding	2020-2021
Equivalent Financial Assistance Grants (untied — Includes local roads component)	\$5,058,738
Total	\$5,058,738

SDA Operational Plan - Annual Budget															
updated at 30 June 2020															
Economic Statement 2016/2017 - Service/Function Area															
Sched. No.	PROGRAM	Rates & Annual Charges	User Charges and Fees	Int Revenue	Other Revenue	Total Revenue	Grants & Contributions	Total Income	Employee Benefits	Materials and Contracts	Dep'n	Other Expenses	Allocation of Overheads	Total Expense	Surplus/Deficit
2	Legal Services, Deceased Estates & Probate		14,000			14,000	181,200	195,200	7,500	21,000		59,600	27,720	115,820	-
3	Courts Tribunals Boards & Statutory Appointments		13,000			13,000	189,605	199,605	75,000	34,000		58,300	32,305	199,605	-
5	Registry Licencing & Regulatory		918,600		6,500	925,100	124,500	1,049,600	211,858	155,000		253,205	110,493	730,557	-
6	Emergency Services - Community Fire		13,000			13,000	465,762	462,762	255,324	9,000		78,800	119,638	462,762	-
7a	KAVHA Museums				177,000	177,000	466,743	725,213	511,691	14,460		148,293	50,769	725,213	-
7b	KAVHA Maintenance					-	1,082,812	1,082,812	779,158	120,000		132,540	51,114	1,082,812	-
9	Gaming		144,000			144,000	1,000	14,400	-	-		-	14,400	14,400	-
10	Pest & Noxious Weeds					-	499,150	499,150	102,000	161,000		177,000	59,150	499,150	-
11	Workers Compensation		201,750			201,750	316,869	518,619	44,000	76,500		125,625	70,744	316,869	-
12	Ports Management		772,000			772,000	73,291	1,535,341	562,369	46,000		699,920	227,052	1,535,341	-
13	Record Keeping					-	87,975	87,975	42,750	4,000		29,500	11,725	87,975	-
14	Spatial Planning					-	132,613	132,613	70,845	42,300		3,454	16,014	132,613	-
8	ICT Support					-	26,632	26,632	26,632	-		-	-	26,632	-
16	Pensioner Rebates					-	22,950	22,950	-	-		17,000	5,950	22,950	-
17	SDA Manager					-	149,279	149,279	143,816	-		4,046	1,416	149,279	-
18	Public Health					-	177,138	177,138	79,727	16,150		56,006	25,255	177,138	-
	Total		2,076,350	-	183,500	2,259,850	6,279,115	6,279,115	2,912,670	699,410	-	1,843,290	823,745	6,279,115	-

s22(1)(a)(ii)

ANDREW ROACH
GENERAL MANAGER
NIRC 30/6/20

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Legal Services, Deceased Estates and Probates

Description	20/21 Budget
Salaries and Wages	7500
Overtime	
Casual Wages	
Superannuation - Council Contribution	
Other Allowance	
Staff Training	2500
Contractors	20000
Consultants	
Electricity	0
Cleaning	0
Telephone Charges	200
Software Licenses	
Other Sundry Expenses	
Materials Purchased	500
Inventory Issued From Store	500
Stationery & Office Consumables	500
Travel Related Costs Other	5000
General Legal Costs	50000
Service Fee	1400
Overheads Charged	27720
Total Expense	115,820.00
Court Fees	-14000
Comm'th Grants - Operating	
Total Income	

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Courts, Tribunals and Boards

Description	20/21 Budget
Salaries and Wages	75000
Overtime	0
Casual Wages	0
Superannuation - Council Contribution	0
Other Allowance	0
Staff Training	2500
Contractors	30000
Electricity	2000
Coroner & Deputy Coroner	4000
Administrative Review Tribunal	4000
Consultants	0
Cleaning	4000
Telephone Charges	1500
Other Sundry Expenses	1500
Materials Purchased	2500
Inventory Issued From Store	1500
Stationery & Office Consumables	500
Travel Related Costs Other	12000
General Legal Costs	25000
Service Fee	1300
Overheads Charged	32305
Total Expense	199605
Court Fees	-13000
Other Sundry Income	
Comm'th Grants - Operating	
Total Income	-13000

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Transport, Regional Development, Communications, Sport and the Arts

Registry and Licencing

Description	20/21 Budget
Salaries and Wages	180,625
Overtime	500
Casual Wages	
Superannuation - Council Contribution	25,766
Other Allowance	4,967
Staff Training	5,195
Contractors	110,000
Consultants	
Electricity	
Cleaning	6,000
Telephone Charges	1,500
Hire/Rental Property	
Subscriptions	
Software Licenses	48,000
Other Sundry Expenses	
Materials Purchased	40,000
Inventory Issued From Store	5,000
Refund	35,000
Stationery & Office Consumables	5,000
Travel Related Costs Other	
General Legal Costs	60,000
Plant Hire - Internal Usage	
Roads Cont includes KAVHA roads maintenance	0
Service Fee	92,510
Overheads Charged	110,493
Total Expense	730,557
Lease/Rent Fees Received	-6,000
License Fees	-2,500
Motor Vehicle Registration Fees	-490,000
Company Registration Fees	-50,000
Stamp Duty - Cheques	-2,000
Liquor License Fees	-9,100
Other Fees	-15,000
Land Title Fees	-350,000
Other Sundry Income	-500
Comm'th Grants - Operating	
Total Income	-925,100

Emergency Services inc Community Fire

Description	20/21 Budget
Waste Levy	
Workers Compensation - Levy	
Salaries and Wages	137,532
Overtime	16,758
Casual Wages	25,629
Superannuation - Council Contribution	17,092
Other Allowance	58,312
Staff Training	7,500
Contractors	4,000
Consultants Controller	0
Other Insurance	0
Electricity	5,000
Sewerage Charges	
Telephone Charges	2,000
Postage	500
Hire/Rental Equipment	0
Other Sundry Expenses	1,000
Materials Purchased	0
Inventory Issued From Store	5,000
Protective Clothing & Accessories	10,000
Freight Delivery	2,500
Stationery & Office Consumables	1,000
Fuel	0
Travel Related Costs Other	0
General Legal Costs	
Plant Hire - Internal Usage	48,000
Regional Council Service Fee	1,300
Overheads Charged	119,638
Total Expense	462,762
E-tops	
Workers Compensation - Levy	
Other Sundry Income	-13,000
Comm'th Grants - Operating	
Total Income	-13,000

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Transport, Regional Development, Communications, Sport and the Arts

KAVHA Museums

Description	20/21 Budget
Waste Levy	0
Salaries and Wages	152,000
Overtime	0
Casual Wages	307,000
Superannuation - Council Contribution	45,900
Other Allowance	6,791
Staff Training	10,393
Contractors	5,460
Events management	10,000
Consultants	
Advertising Expenses	8,000
Electricity	14,500
Sewerage Charges	
Cleaning	8,500
Telephone Charges	4,000
Postage	500
Hire/Rental Property	4,500
Subscriptions	5,000
Other Sundry Expenses	
Materials Purchased	5,000
Building general maintenance materials	7,200
Building maintenance materials Lighting	
Inventory Issued From Store	4,000
Protective Clothing & Accessories	
Trading Stock Purchase	35,000
Freight Delivery	2,000
Stationery & Office Consumables	6,000
Fuel	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	15,000
Regional Council Service Fee	17,700
Overheads Charged	50,769
	725,213
Total Expense	
Income from Retail Sale of Stock	-47,000
Entry Fees	-120,000
Income from Research Centre No 9 Quality	-5,000
Building maintenance materials Lighting	
Other Sundry Income	-5,000
Comm'th Grants - Operating	
Comm'th Grants - Operating non-recurrent	
Contra Income	
Total Income	-177,000

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Transport, Regional Development, Communications, Sport and the Arts

KAVHA Maintenance

Description	20/21 Budget
Waste Levy	1,500
Salaries and Wages	648,605
Overtime	5,125
Casual Wages	
Superannuation - Council Contribution	56,727
Other Allowance	68,701
Staff Training	10,040
Contractors	40,000
Consultants	
Electricity	4,000
Sewerage Charges	
Telephone Charges	6,000
Other Sundry Expenses	
Materials Purchased	70,000
Inventory Issued From Store	10,000
Protective Clothing & Accessories	4,000
Trading Stock Purchase	
Freight Delivery	
Stationery & Office Consumables	2,000
Fuel	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	105,000
Overheads Charged	51,114
Total Expenses	1,082,812
Comm'th Grants - Operating	
Total Income	0.00
Surplus/(Deficit)	

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Gaming

Description	20/21 Budget
Salaries and Wages	
Overtime	
Casual Wages	
Superannuation - Council Contribution	
Other Allowance	
Contractors	
Consultants	
Telephone Charges	
Other Sundry Expenses	
Materials Purchased	
Inventory Issued From Store	
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Regional Council Service Fee	14400
Overheads Charged	0
Total Expense	14400
Gaming Revenue	-144000
Other Sundry Income	
Comm'th Grants - Operating	
Total Income	

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Pest and Noxious Weed Control (SDA)

Description	20/21 Budget
Waste Levy	
Salaries and Wages	35,000
Overtime	0
Casual Wages	55,000
Superannuation - Council Contribution	12,000
Other Allowance	0
Staff Training	10,000
Contractors	149,000
Chainsaw clearing	0
Dector Dog Handler and kennelling	45,000
Consultants	5,000
CSIRO Consulting Service Agreement	79,000
Electricity	
Telephone Charges	1,000
Other Sundry Expenses	5,000
Materials Purchased	10,000
Inventory Issued From Store	2,000
Freight Delivery	1,000
Stationery & Office Consumables	1,000
Fuel	10,000
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	20,000
Overheads Charged	59,150
Total Expense	499,150
Other Sundry Income	
Comm'th Grants - Operating	
Contra Income	
Total Income	0

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Worker's Compensation

Description	20/21 Budget
Salaries and Wages	
Overtime	
Casual Wages	40,000.00
Superannuation - Council Contribution	4,000.00
Other Allowance	
Staff Training	0.00
Contractors	75,000.00
Consultants	5,600.00
Workers Comp - Reimbursement of Wages	25,000.00
Insurance 12 mths (then claim refund)	52,000.00
Electricity	750.00
Cleaning	1,600.00
Telephone Charges	250.00
Other Sundry Expenses	
Materials Purchased	
Inventory Issued From Store	1,500.00
Loss Wages	
Stationery & Office Consumables	250.00
Computer Hardware Expensed	
Travel Related Costs Other	20,000.00
General Legal Costs	0.00
Trade Discounts Received	0.00
Plant Hire - Internal Usage	0.00
Regional Council Service Fee	20,175.00
Overheads Charged	70,743.75
Total Expense	316,868.75
Interest Received Banks & Other	
Workers Compensation - Levy	-200,000.00
Workers Comp - Insurance Refunds	-1,750.00
Other Sundry Income	
Comm'th Grants - Operating	
Total Income	-201,750.00

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Ports Management

Description	20/21 Budget
Waste Levy	
Salaries and Wages	62,245
Overtime	
Casual Wages	451,152
Superannuation - Council Contribution	48,972
Other Allowance	
Staff Training	20,000
Contractors	45,000
Fenders	65,000
Consultants	10,000
Other Insurance	25,000
Electricity	8,000
Telephone Charges	2,000
Postage	5,200
Hire/Rental Equipment	
Other Sundry Expenses	
Materials Purchased	10,000
Inventory Issued From Store	5,000
Protective Clothing & Accessories	10,000
Ligherage Expenses	
Freight Delivery	1,000
Stationery & Office Consumables	500
Fuel	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	462,020
Regional Council Service Fee	77,200
Overheads Charged	227,052
Total Expense	1,535,341
Ligterage Charges	-672,000
Other Sundry Income	-100,000
Comm'th Grants - Operating	
Contra Income	
Total Income	-772,000

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Record Keeping

Description	20/21 Budget
Salaries and Wages	31,273
Overtime	
Casual Wages	8,168
Superannuation - Council Contribution	3,309
Other Allowance	
Staff Training	5,000
Contractors	0
Consultants	0
Cleaning	3,500
Other Sundry Expenses	21,000
Materials Purchased	4,000
Inventory Issued From Store	
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	11,725
Total Expenses	87,975
Other Sundry Income	
Comm'th Grants - Operating	-87,975
Total Income	-87,975

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Spatial Planning and Policy

Description	20/21 Budget
Salaries and Wages	62500.00
Overtime	5000.00
Casual Wages	
Superannuation - Council Contribution	3345.00
Other Allowance	
Staff Training	704.28
Contractors	40000.00
Consultants	
Cleaning	750.00
Telephone Charges	2000.00
Other Sundry Expenses	
Materials Purchased	
Inventory Issued From Store	2000.00
Stationery & Office Consumables	300.00
Travel Related Costs Other	0.00
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	16014.00
Total Expense	\$ 132,613.28

Other Sundry Income

Comm'th Grants - Operating

Total Income

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ICT Support

Description	20/21 Budget
Salaries and Wages	24,637
Overtime	
Casual Wages	
Superannuation - Council Contribution	1,995
Other Allowance	
Staff Training	
Contractors	
Consultants	
Telephone Charges	
Other Sundry Expenses	
Materials Purchased	
Inventory Issued From Store	
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	0
Total Expense	26,632
Other Sundry Income	
Comm'th Grants - Operating	-26,632
Total Income	-26,632

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Pensioner Rebate	
Description	20/21 Budget
Salaries and Wages	
Overtime	
Casual Wages	
Superannuation - Council Contribution	
Other Allowance	
Staff Training	
Contractors	
Consultants	
Telephone Charges	
Other Sundry Expenses	
Materials Purchased	
Pensioner rebate	17,000
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	5,950
Total Expense	22,950
Other Sundry Income	
Comm'th Grants - Operating	
Total Income	

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SDA Management	
Description	20/21 Budget
Workers Compensation - Levy	
Salaries and Wages	135,000
Overtime	
Casual Wages	
Superannuation - Council Contribution	8,816
Other Allowance	
Staff Training	3,046
Contractors	
Consultants	
Electricity	
Sewerage Charges	
Cleaning	
Telephone Charges	500
Other Sundry Expenses	
Materials Purchased	
Inventory Issued From Store	
Protective Clothing & Accessories	
Trading Stock Purchase	
Freight Delivery	
Stationery & Office Consumables	500
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	1,416
Total Expense	149,279
Sundry Sales	
Other Sundry Income	
Comm'th Grants - Operating	-192,964
Total Income	-192,964

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Public Health

Description	20/21 Budget
Salaries and Wages	57,948
Overtime	
Casual Wages	
Superannuation - Council Contribution	6,209
Other Allowance	15,570
Staff Training	1,000
Contractors	14,400
Consultants	
Advertising Expenses	500
Electricity	
Sewerage Charges	
Telephone Charges	
Water Testing	37,486
Other Sundry Expenses	
Materials Purchased	1,750
Inventory Issued From Store	
Protective Clothing & Accessories	
Trading Stock Purchase	
Freight Delivery	10,020
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	7,000
Overheads Charged	25,255
Total Expense	177,138
Sundry Sales	
Other Sundry Income	
Comm'th Grants - Operating	-133,693
Other Allowance	
Total Income	-133,693

s22(1)(a)(ii)

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Marine Search and Rescue - Service removed from	
Description	20/21 Budget
Salaries and Wages	
Overtime	
Casual Wages	
Superannuation - Council Contribution	
Other Allowance	
Contractors	
Consultants	
General Asset Insurance	
Other Insurance	
Electricity	
Sewerage Charges	
Telephone Charges	
Other Sundry Expenses	0
Materials Purchased	
Inventory Issued From Store	
Protective Clothing & Accessories	
Trading Stock Purchase	
Freight Delivery	
Stationery & Office Consumables	
Travel Related Costs Other	
General Legal Costs	
Plant Hire - Internal Usage	
Overheads Charged	
Total Expense	0
Sundry Sales	
Other Sundry Income	
Comm'th Grants - Operating	
Total Income	

s22(1)(a)(ii)

REPORT TO
**DEPARTMENT OF INFRASTRUCTURE, TRANSPORT,
REGIONAL DEVELOPMENT AND COMMUNICATIONS**
SEPTEMBER 2020

KAVHA GOVERNANCE REVIEW



OPTIONS PAPER
FINAL

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1.1 Introduction

This report has been prepared at the request of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications (the Department, DITRDC) by a review team comprising s47F (ACIL Allen Consulting), s47F (University of Technology, Sydney) and s47F (Counterpoint Consulting). Preparation of this report involved background research and invaluable and generous input from a range of stakeholders.

The purpose of this report is to provide the Department with a set of options for future governance of the Kingston and Arthur's Vale Historia Area (KAVHA), which can be used for further consultation with stakeholders, including the Norfolk Island community.

1.2 Background

Norfolk Island is a remote island community located in the Pacific Ocean with a population of 1 748¹, approximately 20 per cent of whom identify as having Pitcairn ancestry. It is an external Australian territory administered by the Australian Government through the Department.

Governance arrangements for Norfolk Island have changed significantly over recent years. The *Norfolk Island Legislation Amendment Act 2015* and related Acts came into effect in May 2015, providing for the Australian Government to assume responsibility for funding and delivering national and state level services.

The legislative changes provided for the establishment of an elected Norfolk Island Regional Council (the Council, the NIRC) from 1 July 2016. The Council comprises five Councillors who are elected to serve a four-year term.

There is an Administrator of Norfolk Island (the Administrator). The Administrator is appointed by the Governor-General of Australia, administers the island as a Territory under the authority of the Commonwealth of Australia and represents the Minister who has responsibility for Norfolk Island. As such, the Administrator has responsibility for the management of Commonwealth crown leases among other ceremonial, inter-governmental and statutory responsibilities.

The Australian Government, through the Department, funds some state and other services which are delivered under a Service Delivery Agreement (SDA) by the NIRC – including the KAVHA museum arrangements and collections management.

¹ Australian Bureau of Statistics 2016, https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC90004?opendocument#:~:text=In%20the%202016%20Census%2C%20there,up%200.5%25%20of%20the%20population.

Detailed administrative arrangements arising from the legislative changes are being worked through progressively as the new structures become established and issues associated with the reallocation of responsibilities come to light.

1.3 Kingston and **Arthur's** Vale Historia Area

KAVHA has significant heritage value which has been recognised over time by its inclusion on the Register of the National Estate, listing by the National Trust (NSW), listing on the Norfolk Island Heritage Register and Australia's National Heritage List, and inclusion as one of the 11 places comprising the Australian Convict Sites property which was inscribed on the World Heritage List in 2010.

The Australian Government ratified the World Heritage Convention in 1974, and in so doing committed to the associated responsibilities which include developing and implementing a comprehensive management plan for inscribed sites that sets out adequate preservation measures and monitoring mechanisms². These responsibilities are reflected in the Environment Protection and Biodiversity Conservation Act 1999 (Cwlth) which, among other things, requires the government to plan for and manage properties included on the World Heritage List.

The heritage value of KAVHA arises from a wide range of attributes including its flora, fauna, natural landscape, built landscape, its initial settlement by Polynesian peoples, two periods as a European convict settlement and subsequent post-penal transformation, including the relocation of the people of Pitcairn Island to Norfolk Island in 1856 following a decision of the British Home Office.

Governance for, and management of, KAVHA is complex as responsibilities are shared and a broad array of competencies is required. According to the 2016 KAVHA Heritage Management Plan, the Australian Government's obligations under the World Heritage Convention are essentially described in the Environment Protection and Biodiversity Conservation Act 1999 (Cwlth) and an Australian Intergovernmental Agreement on World Heritage which sets out high level principles and specific roles and responsibilities of Commonwealth, state and territory governments. In addition, the Norfolk Island Plan, required under the Planning Act 2002 (NI), promotes Norfolk Island's land use and development objectives.

In 1989, a memorandum of understanding (MOU) between the Australian and Norfolk Island governments was agreed, under which the KAVHA Management Board was established to manage the conservation of the area and advise both governments. The MOU was revised in 1994, and in 2015 the KAVHA Management Board was discontinued.

The KAVHA Advisory Committee was established in 2015 to provide expert and independent advice to the Australian Government on a range of matters regarding the ongoing protection, optimisation, governance and financial sustainability of the KAVHA site.

The Australian Government is ultimately responsible for new management arrangements for KAVHA. There is agreement about the significance of KAVHA, but as yet there is no clear consensus on detailed arrangements extending to rights of freehold land owners and leaseholders, reporting relationships, employment arrangements, management of volunteers, how community views will be incorporated into future preservation, protection and improvement of the site and the management of the three Museum collections. The Commonwealth owns the Sirius and KAVHA collections while a third collection is owned by the Norfolk Island Museum Trust (NIMT). This latter collection is made up of objects that have been transferred into the Museum Trust's collection from the Norfolk Island Historical Society and from donations.

1.4 This report

This report examines four feasible options for governing and managing KAVHA that fulfil a wide range of obligations and assesses these options against the KAVHA Governance Assessment Framework (the Framework) developed as part of this project and described in Chapter 2 of this report. The report explains the principles on which the KAVHA Governance Assessment Framework is based and

² United Nations Educational, Scientific and Cultural Organization (UNESCO) website <https://whc.unesco.org/en/convention/>

includes a summary of themes that emerged from discussions held with a range of stakeholders regarding governance arrangements for KAVHA and the suitability of the KAVHA Governance Assessment Framework.

1.5 Assumptions and definitions

The governance options for KAVHA outlined in this report and the KAVHA Governance Assessment Framework against which they are assessed are based on assumptions and utilise key terms that aim to simplify expression and assist the reader's understanding of the material presented.

Consultations reinforced that the effective governance of KAVHA requires that issues beyond structural governance arrangements are addressed. Addressing these issues is critical to improving the governance of KAVHA. Consequently, these broader issues have been incorporated into the assumptions on which the four options are based. The assumptions and definitions are described below.

Spirit of engagement

Successful governance of KAVHA requires that all parties commit to working together in a manner of cooperation, collaboration, and partnership. 'All parties' includes the Commonwealth Government and employees, the NIRC and employees, members of the KAVHA Advisory Committee, members of the KAVHA Community Advisory Group, members of the NIMT and members of the Norfolk Island community.

In particular, this means that engagement between all parties is inclusive, respectful, transparent, responsive, purposeful and trusting. Consultation is undertaken in accordance with the Norfolk Island Community Consultation Framework. The views of all island cultures, including those of Pitcairn descent, are acknowledged and respected. Decisions regarding KAVHA are made with thought for all stakeholders.

Information about KAVHA, the governance structure, the plans, the decision-making processes and decisions made are available to all. The Norfolk Island community is consulted and informed about the timing and nature of work performed at KAVHA.

Planning for KAVHA including aims for the site

All options assume that a comprehensive suite of strategic and operational plans is developed for KAVHA, referred to as the KAVHA Heritage Management Plan. This suite of plans acknowledges all prior and current Norfolk Island cultures and is developed in a manner appropriate for a National and World Heritage Site that is a 'living site' of great significance to Norfolk Islanders.

The KAVHA Heritage Management Plan articulates the aim, vision and strategic objectives for KAVHA and includes (but is not limited to) plans for interpretation, conservation, and a site masterplan.

The Heritage Master Plan includes a focus on:

- meeting all the heritage obligations
- recognising that the site has long-standing significance to, and is integral to, the daily living and enjoyment of the local community
- providing a high-quality visitor experience and interpretation of the site
- increasing the level of cultural education and celebration
- attaining viability and economic sustainability
- drawing on local personnel and resources wherever possible.

Arrangements regarding the ownership and control of the collections

All options put forward in this document assume:

- the NIMT *retains ownership and control* over the NIMT Collection
- the Commonwealth *retains ownership and control* over the HMS Sirius and KAVHA collections.

The NIMT and the Commonwealth may choose to enter into agreement(s) regarding the conservation and interpretation of the collections that they own. Assuming sufficient funding and collections skills and support, an agreement that enables a coordinated approach to managing, conserving, and interpreting KAVHA that acknowledges the various manifestations of KAVHA's heritage (including the buildings, grounds and various collections) would support a good conservation outcome. Documentation is well established that ensures ownership is not compromised when items are managed as a complete collection. The options outlined in this document do not presume any such agreement(s) but allows for them, at the discretion of the NIMT and the Commonwealth.

Authority and decision making

All options assume that the lines of authority for decision-making with respect to KAVHA are simplified to the extent possible and brought under the auspices of a 'responsible officer' who resides on Norfolk Island and directs a locally based team. The term 'responsible officer' is used to describe a role with responsibility for decision making and financial authority for all of KAVHA's operations including implementing the Heritage Management Plan. It is used to distinguish potential future arrangements from those currently in place. Responsibilities would include but may not be limited to:

- financial management
 - financial sustainability
 - financial reporting
 - setting and collecting fees and charges
- management, conservation, interpretation and maintenance of the buildings, grounds and collections displayed at KAVHA including capital works and operating the museums at KAVHA (if agreed between the NIMT and the Commonwealth, the interpretation, conservation and display of the collection owned by the Trust in a manner set out in that agreement.)
- directing staff
- tourism management
- marketing

The locally based team that reports to the responsible officer will encompass a range of skills, some of which may reflect the skills referred to in the summary of consultations provided in Table 2.2. The list of skills mentioned in Table 2.2 is not complete, nor is it suggested that all the skills mentioned are most appropriately provided through direct employment as opposed to use of consultants or contractors.

Some options refer to the 'KAVHA governing body'. This term refers to a body created to oversee KAVHA. The term is not limited to a specific structural type (such as a board or advisory committee). Where such a body is included, the option will describe the structural type. The term is used to distinguish it from current bodies or arrangements.

Sufficiency of funding

KAVHA requires a sufficient and predictable revenue stream to meet the obligations arising from KAVHA's National and Commonwealth Heritage listing, its inclusion in the World Heritage Listing as one of the Australian Convict Sites, and to deliver high quality visitor experiences and interpretation. Governance arrangements influence the extent to which KAVHA can apply for grants and retain revenue it generates. However, they do not address the sufficiency nor predictability of the funding envelope allocated to KAVHA by the Commonwealth.

It is expected that KAVHA will continue to receive the majority of its funding from the Commonwealth. Experience internationally and in Australia indicates that heritage sites are not able to generate sufficient funding to maintain the sites in the manner required to meet heritage listing obligations.

Other

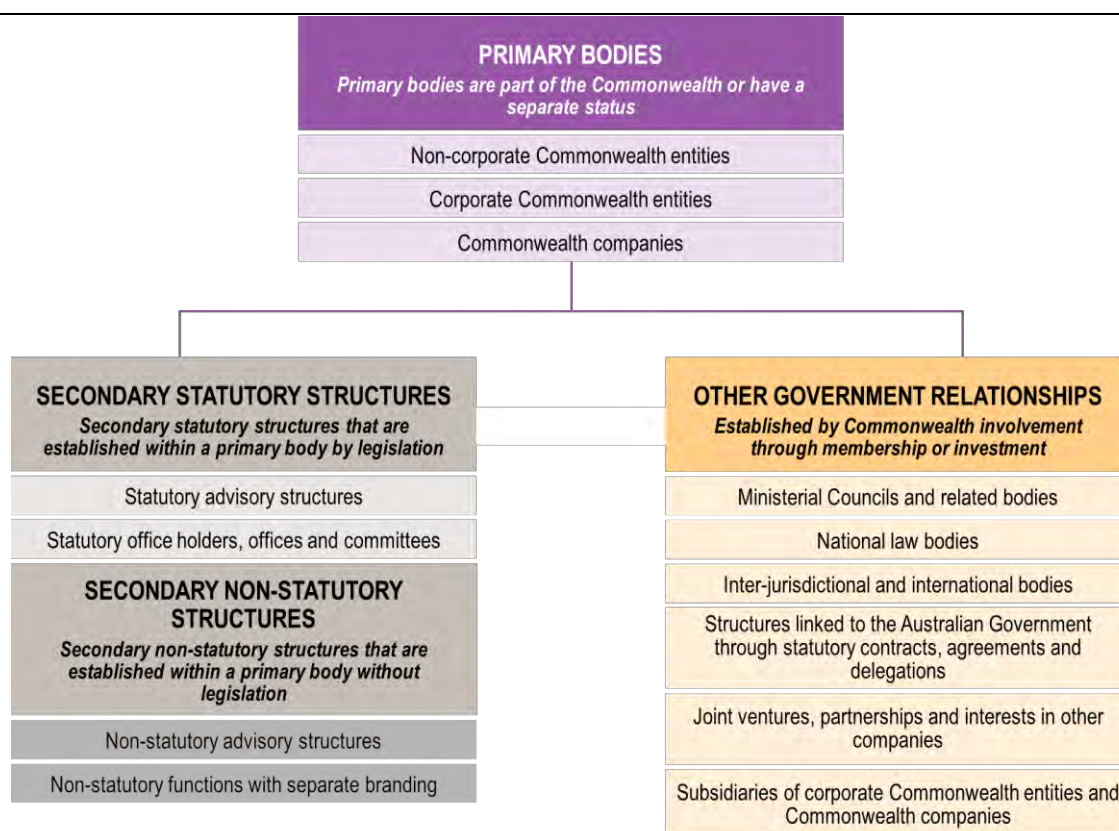
Some options refer to establishing a charitable foundation for the purposes of raising funds that are applied by the KAVHA governing body or responsible officer to the management of KAVHA, in accordance with the Heritage Management Plan. Establishment of a foundation is not dependent on any specific governance arrangement.

This paper interprets 'legitimate governance arrangements' to include legitimacy with the Norfolk Island community.

1.6 Potential governance arrangements

Future governance arrangements for KAVHA must operate within a legitimate governance structure through which the Australian Government can discharge its responsibilities. There are four types of governance structures that support the Australian Government to undertake government activities. These are outlined in the diagram below.

FIGURE 1.1 TYPES OF AUSTRALIAN GOVERNMENT BODIES



SOURCE: AUSTRALIAN GOVERNMENT DEPARTMENT OF FINANCE WEBSITE, [HTTPS://WWW.FINANCE.GOV.AU/GOVERNMENT/MANAGING-COMMONWEALTH-RESOURCES/STRUCTURE-AUSTRALIAN-GOVERNMENT-PUBLIC-SECTOR/TYPES-AUSTRALIAN-GOVERNMENT-BODIES](https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/types-australian-government-bodies) ACCESSED 27 MAY 2020

The different types of Australian Government bodies facilitate a range of activities and are subject to differing employment, financial, oversight and reporting arrangements. Chapter 3 includes further discussion of the types of government bodies and their suitability for governing and managing KAVHA.

There are two acts of the Australian Parliament that are particularly relevant in determining the type of government body that is most appropriate for governing and managing KAVHA. They are the Public Service Act 1999 (PS Act) and the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

1.6.1 The Public Service Act 1999

The PS Act is the principle Act governing the operation of the Australian Public Service (APS) and all staff employed as members of the APS are engaged under the Act. The APS agencies are divided into the following categories:³

- Category A: Departments (non-corporate Commonwealth entities)

³ Australian Public Service Commission website, <https://www.apsc.gov.au/aps-agency-listing-agencies-covered-public-service-act-1999> accessed 1 July 2020

- Category B: Statutory Agencies (corporate Commonwealth entities) with all staff employed under the PS Act
- Category C: Statutory Agencies (corporate Commonwealth entities) which have the capacity to employ staff under the PS Act as well as their own enabling legislation (dual staffing bodies)
- Category D: Executive Agencies (included as listed entities under the PGPA Act).
- Category E: includes bodies which employ staff under the PS Act and operate with some degree of independence but are parts of APS agencies rather than separate APS agencies as defined in the PS Act.

All staff employed by the Department are members of the APS and are therefore engaged under the PS Act, hence its relevance to the governance of KAVHA. Members of the APS are remunerated in accordance with the relevant department's enterprise agreement. The Department's current enterprise agreement does not include relevant job classifications and pay scales for all positions required to operate KAVHA. Without changes to the enterprise agreement, staff may be employed under pay scales that do not reflect the work they perform. For example, staff employed to serve coffee in a café may be paid higher than market rates, which may jeopardise the viability of the initiative.

Corporate Commonwealth entities are generally established through legislation and consequently, have a legal existence that is separate from the Commonwealth. Although there are exceptions, employees of corporate Commonwealth entities are generally not employed under the PS Act and so are not part of the APS.⁴

1.6.2 The Public Governance, Performance and Accountability Act 2013

The PGPA Act, together with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) establishes a comprehensive, principles-based system of governance and accountability, and a performance framework, for the Commonwealth.⁵ This includes a framework for agencies to set and report on goals in corporate plans and annual reports. All primary bodies are subject to the PGPA Act.

The PGPA Act and Rule set out planning and reporting obligations for the different types of government entities. This includes that the Finance Minister can make a government policy order, which is a legislative instrument made under the PGPA Act, to specify that a policy of the Australian Government is to apply in relation to one or more corporate Commonwealth entities (section 22 of the PGPA Act) or wholly-owned Commonwealth companies (section 93 of the PGPA Act).

Retainable Receipts Resource Management Guide 307 states that corporate Commonwealth entities and Commonwealth companies do not require an appropriation to collect and retain receipts and are not limited by section 74 of the PGPA Act. This is because they are separate legal bodies to the Commonwealth, and so can retain and spend monies on their own account.⁶ These reporting requirements, application of government policy orders to different types of government entities and ability to collect and retain receipts are directly relevant to the governance of KAVHA.

Also of relevance when considering the appropriateness of entity types for governing and managing KAVHA is the Average Staffing Level (ASL), which is a method of counting that adjusts for casual and part-time staff in order to show the average number of full-time equivalent employees in the Australian General Government Sector⁷. The Budget papers report staffing numbers in terms of ASL. Departmental ASLs can constrain the creation of new positions or recruitment of additional staff.

⁴ Parliament of Australia website,

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook46p/APS accessed 1 July 2020.

⁵ E. Alexander & D. Thodey, Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule, 2018, p. 18.

⁶ Department of Finance, Retainable Receipts Resource Management Guide 307 <https://www.finance.gov.au/publications/resource-management-guides/retainable-receipts-rmg-307> accessed 2 July 2020

⁷ The Australian General Government Sector is a group of government-controlled entities that provide public services which are mainly non-market in nature, for the collective consumption of the community, involving the transfer or redistribution of income, and budget-funded or obtain their funds from government.

This sector classification enables the collection of financial information on the performance of Commonwealth entities and companies in the Commonwealth public sector, and is classified by institutional sector, as defined and required by Australian equivalents of international standards - known as Government Finance Statistics. Department of Finance website <https://www.finance.gov.au/about-us/glossary/pgpa/term-general-government-sector-ggs> accessed 2 July 2020.



This chapter describes the KAVHA Governance Assessment Framework including the principles on which it is based. Themes that emerged from consultations with stakeholders are also presented.

2.1 Governance principles

Governance principles were developed through a literature scan of recognised good governance models, including for specific information on governance of cultural heritage. Existing plans, reports and other documents relating to governance of KAVHA and other Australian heritage sites, especially Australian Convict Sites, were reviewed. Interviews were held with a range of stakeholders. A reference list of documents used in the development of governance principles including those provided to the review team by the Department and other stakeholders is contained in Appendix A.

Governance principles were based on general good governance applicable to all organisations, overlaid with the specific governance principles relevant to management of cultural heritage sites. In particular, the importance of active community participation, especially for living cultural heritage sites such as KAVHA, was incorporated into the recommended governance principles for KAVHA.

2.1.1 Principles

The following governance principles were identified through the document review and stakeholder consultation and have informed the development of options for KAVHA.

- Acknowledging and respecting the voice of the community.
- Reflecting legitimate governance arrangements.
- Providing a clear vision and direction.
- Looking after our heritage professionally.
- Being open and accountable.

Acknowledging and respecting the voice of the community

This principle acknowledges the significance of KAVHA to the Norfolk Island community and the associated responsibility of ensuring KAVHA remains relevant and accessible to the community. Ongoing engagement with the Norfolk Island community will be conducted in a manner that is:

- inclusive and respectful
- transparent and responsive
- purposeful and practical
- trusting and responsible.

Key to success is having people who know how to engage effectively with local stakeholders who have a cultural and emotional investment in the site. Stakeholder engagement should recognise the layers of history from Polynesian settlement, two convict settlement periods and the post-convict era commencing with settlement by the people of Pitcairn Island, recognising that different community members and groups will engage differently with the site.

Reflecting legitimate governance arrangements

Legitimacy of arrangements refers to identifying and implementing new arrangements for the governance and management of the site that includes all of KAVHA, is commensurate with the scale of KAVHA's operations, and includes community engagement in its governance. Arrangements must also be recognised under Australian Government legislation. Governance requires a formal structure with the authority for KAVHA to deliver on community, national and world heritage obligations and solid governance around decision making.

Providing a clear vision and direction

This principle means that planning effort for KAVHA includes:

- a strong strategic planning framework with clear priorities
- a unified curatorial approach and visual coherence
- ambitious future goals and standards
- celebration and sharing the culture and history of Norfolk Island, including people of Pitcairn descent
- conserving the site's significant heritage values to meet world heritage obligations.

KAVHA should be run as a professionally managed living cultural heritage site by people who have the required expertise to provide the right advice, underpinned by an appropriate management structure and consultative framework. There needs to be clear understanding that works undertaken on the site must not conflict with obligations to manage and protect the site's Outstanding Universal Value, which arise from KAVHA's inclusion in the World Heritage Listing as one of the Australian Convict Sites, and its obligations under National and Commonwealth Heritage listings.⁸ A master plan is required with measurable deliverables, strategy, proper business planning and freedom to deliver.

Looking after our heritage professionally

This principle reflects the requirement for specialist capabilities and a sufficient and predictable revenue stream to oversee and manage a site of heritage significance. It recognises that to meet the obligations arising from KAVHA's National and Commonwealth Heritage listing, its inclusion in the World Heritage Listing as one of the Australian Convict Sites, and to deliver high quality visitor experiences and interpretation, KAVHA needs:

- to be able to employ and engage people with expert skills and knowledge and remunerate them appropriately, and to build local knowledge, skills and capacity
- a sustainable and predictable revenue stream
- the ability to attract and retain revenues
- high performance, effective systems and processes.

KAVHA needs an autonomous skills-based governing body, including with heritage and local cultural knowledge and expertise, to make decisions to guide the management of the site, and direct work on the site. The governing body needs to be able to generate and retain income and apply for grants.

Being open and accountable

To operate with transparency and appropriate accountability, KAVHA needs:

- a single point of authority that manages all staff and approves all site activities, with appropriate delegations
- a clear line of transparent, accountable decision making/strategic oversight

⁸ Outstanding Universal Value is one of the central ideas underpinning the World Heritage Convention.

- a quality framework and agreed KPIs that must be implemented
- regular respectful engagement with all stakeholders.

There should be clear reporting relationships between all stakeholders. The governance structure should enable all staff to work under a single operational structure. Transparency will assist with community stakeholder engagement. The organisational culture should foster collaboration, shared information, accountability and transparency.

2.2 Consultations

Consultations between the review team and a range of stakeholders were held during May and June 2020. The discussions built on previous work completed for the Department regarding KAVHA's current governance arrangements and focused on identifying improvements to arrangements. Specific attention was directed to draft principles and assessment criteria against which future governance options could be assessed. The following table lists the parties with whom consultations were held.

TABLE 2.1 STAKEHOLDERS CONSULTED

Organisation	Role	Stakeholder
Administrator of Norfolk Island	Administrator of Norfolk Island	Eric Hutchinson
Department of Agriculture, Water and the Environment	Director Historic Heritage Sites	s47F
Department of Finance	PGPA Advisory	s47F
Department of Infrastructure, Transport, Regional Development and Communications, Norfolk Island and ACT/NT Branch	Assistant Secretary	Nicole Pearson
	Commonwealth Heritage Manager	s47F
	Director Local Government and Facilities Management	s47F
Heritage NSW	Director Heritage Operations	s47F
KAVHA Advisory Committee	Chair	Eric Hutchinson
	Members	s47F
		s47F
		s47F
		s47F
		s47F
KAVHA Community Advisory Group	Chair	s47F
	Members	s47F
		s47F
Norfolk Island Regional Council	Mayor	Robin Adams
	General Manager	Andrew Roach
Norfolk Island Museum Trust	Directors	s47F
		s47F
Representatives from Australian Convict Sites	Executive Director of the Sydney Harbour Trust	s47F
	Acting Director Heritage Works WA Department of Planning Lands Heritage	s47F
	Chair Australian Convict Sites Steering Committee	s47F

Themes that emerged from the stakeholder consultations provided valuable insights regarding the governance of KAVHA and are summarised in the table below.

TABLE 2.2 THEMES ARISING FROM STAKEHOLDER CONSULTATIONS REGARDING GOVERNANCE OF KAVHA

Area	Themes	Comments
Governance arrangements	Sound governance arrangements are essential, but they will not solve all the issues.	Unanimously held view.
Role of Norfolk Island Regional Council with respect to KAVHA	The future role of NIRC needs to be clarified (state and/or local government responsibilities) and simplified. This extends beyond KAVHA. The planning regime needs to be simplified with appropriate levels of approvals and one Development Control Plan for the whole area.	Divergent views held
Vision for KAVHA	There is no single community view regarding KAVHA other than its importance to the Islanders. How this importance is expressed differs. There is the need for a clear direction regarding aspirations for the site expressed through an appropriately developed Heritage Management Plan. Many stakeholders said that there are good plans for KAVHA, but they are never implemented. This causes frustration with the local community, who believe the Commonwealth has not fulfilled commitments made when KAVHA was included in 2010 as one of 11 places that make up the Australian Convict Sites World Heritage serial listing (for example providing the funding needed to preserve and maintain the site). Many stakeholders want to get people back to using the site more actively and reinforce the living nature of the site for administration, work and recreation.	There is agreement on the need to implement an appropriately developed Heritage Manage Plan. There are numerous interpretations of the term 'One KAVHA'.
Governance structures	Many stakeholders believe the KAVHA governing body should have a board structure and that this will help build a more collaborative approach. Some stakeholders support the KAVHA governing body being skills-based rather than representative, although there is recognition that expertise in local culture (including Pitcairn descent and local language) from the community is essential. Including the Administrator as Chair of the KAVHA governing body is seen as potentially divisive as it is a short-term political (Commonwealth) appointment. Some stakeholders felt it may be more helpful to consider a representative from the NIRC or an independent chair. Some stakeholders consider the Commonwealth should establish a statutory authority or a Commonwealth controlled company established under the Corporations Act 2001 to operate KAVHA, and/or another corporate entity to which the Commonwealth would contract out the management of the site. There may be the option of setting up a related foundation (perhaps modelled on the National Gallery of Australia Foundation) to enable funds to be raised for the purposes of KAVHA (see below). This may engender community ownership and a sense of control.	Not requiring representation of the Norfolk Island community on a KAVHA board is likely to be contentious.
Community representation / engagement	Community engagement is critical and needs to include clear roles and responsibilities. Some see the Community Advisory Group as pivotal while other see it as having no authority and creating more opportunities for conflict.	Views about the mechanisms for community representation and engagement differ significantly. The need for robust mechanisms is agreed.

Area	Themes	Comments
Funding / resourcing	Sufficiency of resourcing (including retention of locally generated revenues and externally sourced grants, including for capital works) is one of the major issues. This requires the capacity to apply for grants (Commonwealth and philanthropic) and having a proper philanthropic strategy. The return on the Commonwealth's investment is not optimised under current arrangements, nor are relations with Norfolk Islanders, with authority, approvals and functions performed by staff in a branch of the department in Canberra. There is potential to reconfigure the structural arrangements of Commonwealth employees on and off the Island, although KAVHA is not the Commonwealth's primary focus with respect to its responsibilities on the Island. There is the potential to set up a Foundation to support the functions of the KAVHA governing body including the ability to attract / hold funds.	Funding is the issue for heritage sites generally.
Management of KAVHA	There needs to be a professional team (see below) living on the island to manage the site. There are significant efficiencies and levels of community acceptance in having staff located locally. The responsible person needs decision making and financial authority for all that happens at KAVHA including implementing the Heritage Management Plan. Responsibilities include: – financial management – financial sustainability – financial reporting – setting and collecting fees and charges – management, conservation, interpretation and maintenance of the buildings, grounds and collections displayed at KAVHA including capital works and operating the museums (if agreed between the NIMT and the Commonwealth, the interpretation, conservation and display of the collection owned by the Trust in a manner set out in that agreement.) – directing staff – tourism management – marketing	There is strong agreement that the team responsible for KAVHA needs to be based on the Island. Most stakeholders supported this view.

Area	Themes	Comments
	KAVHA needs to be professionally managed. The locally based team should include: – a responsible officer with overall responsibility for the site – works crew – site archaeologist – conservation – interpretation – marketing, including social media skills – communications / community liaison – heritage tourism (with commercial nous) – manager of volunteers	All stakeholders agree on the need for professional management of KAVHA. There is limited agreement on how this should be achieved. The information provided here compiles all suggested skills and is not comprehensive nor a recommended structure or staffing complement. Some of these skills may be most appropriately provided through use of consultants or contractors.
Service Delivery Agreement (SDA)	Many feel the SDA does not deliver value for money and should be replaced with different arrangements. Some think it would be better if the Heritage Manager directly engaged local staff who work on the management, maintenance and interpretation of KAVHA (either through employment or contracting) than through having services delivered by the NIRC (which can overlay its own priorities at times) through the SDA. Some consider there is scope for services delivered under the SDA to be delivered through secondment (despite NIRC currently owning the machinery / tools required).	The majority of stakeholders support the Heritage Manager having direct control over the works crew.
The museum and collections	Role of KAVHA with respect to the museums: There is significant but not unanimous support for KAVHA to incorporate running of the museum and displaying of the Sirius and KAVHA collections (and the NIMT collection as agreed with the NIMT) in a coherent manner and that the separation between KAVHA maintenance / management of assets and conservation, interpretation and display needs to end. This would include the Commonwealth (or KAVHA governing body) engaging museum staff directly and not through the SDA. There are a few stakeholders with (heartfelt) views that the museum should remain separate to KAVHA. Those holding this view believe the NIMT should be responsible for the collections and the museum, and that KAVHA management should be concerned with maintaining the buildings / grounds. They are concerned that combining responsibility for museums with KAVHA management will detract from the conservation / preservation of the collections and be a step toward Commonwealth take-over of the locally owned NIMT collection. Ownership of collections: It is critical that the NIMT collection is clearly recognised as being under separate ownership from the Commonwealth. It would be helpful to clarify ownership of all artefacts. Technical assistance: There is an opportunity to formalise the role of the Australian National Maritime Museum in providing technical assistance regarding the Commonwealth owned collections. There would be benefit in KAVHA management fostering engagement with other World Heritage Sites including for further skills development opportunities	Unanimous consensus on the issue of bringing museums under KAVHA's management is unlikely

Area	Themes	Comments
Local capability building	There is an opportunity to develop the skills of locals which contributes to their employability. This occurred when people travelled to Port Arthur to learn traditional restoration techniques. More of this would help build trust.	
Implementation	Some stakeholders suggest using a positive project to move the relationship between the Commonwealth and Norfolk Islanders forward e.g. funding for an interpretation / cultural centre at KAVHA.	
	There is common agreement on the need to build trust between all parties – distrust comes from many sources including a perceived lack of delivery by the Commonwealth on promises associated with KAVHA being one of 11 sites that make up the Australian Convict Sites World Heritage listing, such as providing sufficient funding to maintain, conserve and interpret the site.	
	Many considered that there may need to be a staged implementation of a new governance model, although there was also frustration that the current Advisory Committee was seen as a first step that has not progressed to a more permanent governing body.	
Other	The Administrative burden of being under the PGPA Act is considered to be very significant.	
	There is some question regarding the extent and nature of financial oversight exercised by the Department of Finance over external territories.	
	Many stakeholders consider there should be less reliance on ‘off-Island’ consultants and that locals should be encouraged to build skills and enhance community capacity to manage their ‘living site’.	
Insights from representatives from other Convict Heritage Sites	– Major Norfolk Island issues sit outside potential solution to KAVHA governance arrangements. – There is a need for a skills-based board (rather than representatives). – A governing body is more likely to work well if the Chair is independent from the Commonwealth (though appointed by the Minister). – It is easier to balance the conservation / heritage arm with commercial partnerships if they are run through a single authority, with agreement that conservation considerations take precedence over commercial ones in accordance with a Heritage Management Plan. There needs to be an appetite to make commercial decisions that support conservation values. Hence the importance of having a Heritage Management Plan supported by a suite of sub-ordinate plans to guide work. – The Heritage Management Plan should focus on creating ‘living’ spaces. – It is essential to acknowledge and respect the voice of the community given the uniqueness of KAVHA as a living heritage site. – Sufficient multi-year locally retained funding is a critical issue. – There is a mismatch between funding provided by the Commonwealth and the requirements arising from KAVHA’s inclusion as one of 11 places that make up the Australian Convict Sites World Heritage listing.	

2.3 KAVHA Governance Assessment Framework

The following table presents the KAVHA Governance Assessment Framework (the Framework). It incorporates the five governance principles identified through the literature scan and confirmed through consultations with stakeholders and articulates the structural and/or operational elements associated with each principle. These elements are also drawn from the literature scan and consultations.

In some instances, more than one structural and/or operational element is identified. These elements may represent varying levels of support for the relevant principle(s).

TABLE 2.3 KAVHA GOVERNANCE ASSESSMENT FRAMEWORK

Element	Details including options	Acknowledging and respecting the voice of the community	Reflecting legitimate governance arrangements	Providing a clear vision and direction	Looking after our heritage professionally	Being open and accountable
Governance structure including community engagement	The governance structure for KAVHA is legally recognised under Australian Government legislation.		✓			
	The governance structure is appropriate for the scale and significance of KAVHA.		✓			
	There is a statement of expectations from the Minister, which raises the profile of KAVHA including within the Department and focusses attention on KAVHA through reporting against these expectations.			✓		
	The KAVHA governing body has the authority to implement the Heritage Management Plan.		✓		✓	✓
	The KAVHA governing body is skills-based rather than representative. This includes a range of expertise including: – heritage management and archaeology – economic development – cultural tourism – Norfolk Island cultures and values (multiple members, including deep knowledge and expertise in the cultures and values of the people of Pitcairn descent).	✓	✓		✓	
	The governance structure for KAVHA includes community involvement where roles and responsibilities are clearly defined. Options for community engagement include: – A skills-based KAVHA governing body where expertise in Norfolk Island cultures and values on the KAVHA decision-making body is mandated (strongly supports the principles) – Community expertise on the KAVHA governing body is recommended (medium level of support for the principles) – And/or community advisory structures with clear reporting arrangements to the responsible officer and the KAVHA governing body (lower level of support for the principles).	✓	✓			✓

Element	Details including options	Acknowledging and respecting the voice of the community	Reflecting legitimate governance arrangements	Providing a clear vision and direction	Looking after our heritage professionally	Being open and accountable
	Within the framework of the Heritage Management Plan, the KAVHA governing body is a single point of authority for strategic level decision-making on all matters relating to the management and conservation of KAVHA and the KAVHA and Sirius collections. There is a clearly described and well understood line of authority and delegations for making decisions for managing KAVHA, including the museum and buildings on the site. This includes clarifying the arrangements with the NIMT regarding management of the museums and the display, conservation and interpretation of the KAVHA and Sirius Collections. It is open to the NIMT and the Commonwealth to establish an agreement regarding the display, conservation and interpretation of the NIMT collection. Any conflict regarding the legislative responsibility of the Conservator of Public Reserves under Norfolk Island law is resolved.			✓	✓	✓
Vision and planning	There is a unified, well understood and clearly described vision for KAVHA that aligns with the World and National Heritage obligations and addresses the complex history of KAVHA and its role as a living cultural heritage site. The vision is endorsed by the Commonwealth and developed in consultation with the Norfolk Island community.	✓		✓	✓	✓
	The vision for KAVHA is supported by a Heritage Management Plan that provides for the economic, cultural, social and educational development of the site and its use by Norfolk Islanders as a living cultural site. The Plan supports management of KAVHA over multiple periods as a multi-cultural heritage site through a unified and coherent curatorial approach.	✓	✓	✓	✓	✓
Decision making	Operational decision making occurs within the context of the Heritage Management Plan.	✓		✓	✓	

Element	Details including options	Acknowledging and respecting the voice of the community	Reflecting legitimate governance arrangements	Providing a clear vision and direction	Looking after our heritage professionally	Being open and accountable
	The responsible officer represents a single point of authority based on the Island for operational level decision-making concerning all of KAVHA within the framework of the Heritage Management Plan, with that officer being responsible to the KAVHA governing body. The responsibilities of that officer include: – interpretation, conservation and display of the site, structures and the Sirius and KAVHA Collections – setting and collecting fees and charges – the retention and multi-year application of funds generated from fees and charges, and grants received from other bodies – employment or other direct control of capital works or maintenance, including the works crew (who are currently providing services through a SDA with NIRC) – the running of the museum at KAVHA (and the display of the KHAVA and Sirius Collections) – if agreed with the NIMT, the interpretation, conservation and display of the Collection owned by the Trust in a manner set out in that agreement.			✓	✓	✓
	Operational decisions are taken and managed by staff on Norfolk Island, acting under the direction of the responsible officer.			✓		✓
Staffing	There are sufficient, appropriately qualified staff ⁹ on-Island to implement agreed operational level plans who have clearly defined roles and responsibilities.				✓	
	KAVHA staff are under the direction of the responsible officer. The staff are: – Australian Public Servants where appropriate and/or – employees of a new entity established to manage KAVHA and/or – engaged on a contract basis and/or – seconded to KAVHA.			✓	✓	✓
Funding and assistance	The KAVHA governing body has control over sufficient resources to implement the Heritage Management Plan, including the level of certainty necessary to achieve the strategic vision. All revenues and expenditures relevant to the functions of KAVHA should come under control of this body, with the appropriate delegations to the responsible officer.				✓	

⁹ See list of suggested staff roles in table above showing comments from stakeholders

Element	Details including options	Acknowledging and respecting the voice of the community	Reflecting legitimate governance arrangements	Providing a clear vision and direction	Looking after our heritage professionally	Being open and accountable
	The KAVHA governing body is able to apply for and receive grant funding from the Commonwealth and other funding bodies.				✓	✓
	The KAVHA governing body is able to receive and hold funds across financial years, including revenue generated by commercial activities at KAVHA.				✓	
	The Commonwealth provides technical assistance for conservation of Commonwealth owned collections (e.g. through the Australian National Maritime Museum).				✓	



This chapter assesses the extent to which the elements identified in the KAVHA Governance Assessment Framework can be met if governance of KAVHA remains within the Department (a non-corporate Commonwealth entity). The limitations associated with this governance structure provides the rationale for exploring the suitability of other types of governance arrangements for KAVHA. A preliminary assessment of the extent to which these other types of entities can meet the key elements of the Framework is provided. The analysis undertaken in this chapter leads to the identification of four potential options for governance of KAVHA, which are described in Chapter 4.

3.1 Non-corporate Commonwealth entity

The Department's approach to governing and managing KAVHA is constrained by the legislative and policy context within which it must operate as a non-corporate Commonwealth entity. This context determines the extent to which numerous issues identified in the Framework can be addressed if governance and management of KAVHA is retained within the Department, regardless of managerial decisions made by the Department.

The following table provides an assessment of the extent to which elements of the Framework can be addressed while governance of KAVHA remains within the Department. The assessment is based on what is permissible within the legislative and policy context and does not necessarily reflect the arrangements that are currently in place.

TABLE 3.1 ASSESSMENT OF UTILISING A NON-CORPORATE COMMONWEALTH ENTITY FOR GOVERNANCE OF KAVHA

Governance element	Details	Extent to which this can be achieved within a non-corporate Commonwealth entity (the Department)	Comment
Governance structure including community engagement	The governance structure for KAVHA is legally recognised under Australian Government legislation.	Yes	As a non-corporate Commonwealth entity, the Department is a recognised body (part of the Commonwealth) that is legally able to govern and manage KAVHA
	The governance structure is appropriate for the scale and significance of KAVHA.	Partially	Not creating a new entity to govern KAVHA is appropriate from a scale perspective, however it is less appropriate given the significance of KAVHA to both the Norfolk Island community and as one of the sites included in the Australian Convict Sites World Heritage listing.
	There is a statement of expectations from the Minister, which raises the profile of KAVHA including within the Department and focusses attention on KAVHA through reporting against these expectations.	Yes	This is not dependent on the nature of the legal entity governing KAVHA.
	The KAVHA governing body has the authority to implement the Heritage Management Plan.	Yes	The Department has the authority to implement the Heritage Management Plan and to enter into contracts, however the authority to do so is currently not delegated to staff based on Norfolk Island.
	The KAVHA governing body is skills-based rather than representative. This includes a range of knowledge and expertise including: – heritage management and archaeology – economic development – cultural tourism – Norfolk Island cultures and values (multiple members, including deep expertise in the cultures and values of the people of Pitcairn descent).	No	Decision making authority rests within the Department (in Canberra), which does not routinely require the requisite skillset for overseeing a heritage site of cultural significance. It is possible to establish an advisory body, with convention that the Commonwealth accepts the advice provided.

Governance element	Details	Extent to which this can be achieved within a non-corporate Commonwealth entity (the Department)	Comment
	The governance structure for KAVHA includes community involvement where roles and responsibilities are clearly defined. Options for community engagement include: – A skills-based KAVHA governing body where expertise in Norfolk Island cultures and values on the KAVHA decision-making body is mandated (strongly supports the principles) – Community expertise on the KAVHA governing body is recommended (medium level of support for the principles) – And/or community advisory structures with clear reporting arrangements to the responsible officer and the KAVHA governing body (lower level of support for the principles).	Partially	If decision making authority rests with the Department, it is only possible to require knowledge and expertise in Norfolk Island cultures and values on a skills-based <i>advisory</i> body rather than a decision-making body. This reaches a lower threshold for community involvement than does inclusion of such expertise in a decision-making body. Roles and responsibilities can be clearly defined for advisory and decision-making bodies. Inclusion of expertise in Norfolk Island cultures and values can be mandated or recommended for advisory and decision-making bodies. Mandating inclusion of these skills represents a higher level of community engagement.
	Within the framework of the Heritage Management Plan, the KAVHA governing body is a single point of authority for strategic level decision-making on all matters relating to the management and conservation of KAVHA and the KAVHA and Sirius Collections. There is a clearly described and well understood line of authority and delegations for making decisions for managing KAVHA, including the museum and buildings on the site. This includes clarifying the arrangements with the NIMT regarding management of the museums and the display, conservation and interpretation of the KAVHA and Sirius Collections. It is open to the NIMT and the Commonwealth to establish an agreement regarding the display, conservation and interpretation of the NIMT collection. Any conflict regarding the legislative responsibility of the Conservator of Public Reserves under Norfolk Island law is resolved.	Partially	The Department can exercise its authority to make decisions regarding governance of KAVHA, however it is unlikely to have the requisite skills in heritage management and Norfolk Island cultures and values to do so to the level of professionalism required to meet heritage listing obligations.
Vision and planning	There is a unified, well understood and clearly described vision for KAVHA that aligns with the World and National Heritage obligations and addresses the complex history of KAVHA and its role as a living cultural heritage site. The vision is endorsed by the Commonwealth and developed in consultation with the Norfolk Island community.	Yes	This is not dependent on the nature of the legal entity governing KAVHA.

Governance element	Details	Extent to which this can be achieved within a non-corporate Commonwealth entity (the Department)	Comment
	The vision for KAVHA is supported by a Heritage Management Plan that provides for the economic, cultural, social and educational development of the site and its use by Norfolk Islanders as a living cultural site. The Plan supports management of KAVHA over multiple periods as a multi-cultural heritage site through a unified and coherent curatorial approach.	Yes	This is not dependent on the nature of the legal entity governing KAVHA.
Decision making	Operational decision making occurs within the context of the Heritage Management Plan.	Yes	This is not dependent on the nature of the legal entity governing KAVHA.
	The responsible officer represents a single point of authority based on the Island for operational level decision-making concerning all of KAVHA within the framework of the Heritage Management Plan, with that officer being responsible to the KAVHA governing body. The responsibilities of that officer include: – interpretation, conservation and display of the site, structures and the Sirius and KAVHA Collections – setting and collecting fees and charges – the retention and multi-year application of funds generated from fees and charges, and grants received from other bodies – employment or other direct control of capital works or maintenance, including the works crew (who are currently providing services through a SDA with NIRC) – the running of the museum at KAVHA (and the display of the KHAVA and Sirius Collections) – if agreed with the NIMT, the interpretation, conservation and display of the Collection owned by the Trust in a manner set out in that agreement.	Partially	The responsible officer can be given the authority for operational-level decision-making within the framework of the Heritage Management Plan regardless of the nature of the legal entity governing KAVHA. However, the extent of that authority is dependent on the nature of the legal entity governing KAVHA. While the Department remains as the KAVHA governing body, the responsible officer: – cannot retain and apply funds generated from fees and charges, or through grants, across multiple years – can exercise direct control of the works crew (either through secondment arrangements with the NIRC or as employees of the Department) – can run the museum and display the KHAVA and Sirius Collections, which may be extended to include the Museum Trust Collection at the discretion of the NIMT.
	Operational decisions are taken and managed by staff on Norfolk Island, acting under the direction of the responsible officer.	Yes	This is not dependent on the nature of the legal entity governing KAVHA. Departmental staff ASL and funding currently based off-island could be based on-Island and report to the NI-based responsible officer.

Governance element	Details	Extent to which this can be achieved within a non-corporate Commonwealth entity (the Department)	Comment
Staffing	There are sufficient, appropriately qualified staff ¹⁰ on-Island to implement agreed operational level plans who have clearly defined roles and responsibilities.	Partially	Departmental staff ASL and funding currently based off-island could be based on-Island, sufficiency of staff numbers is constrained if the Department remains as the KAVHA governing body. Headcount of the APS is constrained by the ASL ¹¹ .
	KAVHA staff are under the direction of the responsible officer. The staff are: – Australian Public Servants where appropriate and/or – employees of a new entity established to manage KAVHA and/or – engaged on a contract basis and/or – seconded to KAVHA.	Yes	The entity type will determine the nature of the employment relationship. It is legally possible to assign responsibility for oversight and direction of staff to the responsible officer under all entity types.
Funding and assistance	The KAVHA governing body has control over sufficient resources to implement the Heritage Management Plan, including the level of certainty necessary to achieve the strategic vision. All revenues and expenditures relevant to the functions of KAVHA should come under control of this body, with the appropriate delegations to the responsible officer.	Partially	While it is theoretically possible for the Department to have control over sufficient resources to implement the Heritage Management Plan, and for the responsible officer to have appropriate delegations, it is unlikely to occur without additional streams of funding.
	The KAVHA governing body is able to apply for and receive grant funding from the Commonwealth and other funding bodies.	No	The Department, as a non-corporate Commonwealth entity, is not eligible to receive grants under the Australian Heritage Grants Program. ¹²
	The KAVHA governing body is able to receive and hold funds across financial years, including revenue generated by commercial activities at KAVHA.	Possible but requires legislative and policy authority	The Department's financial arrangements are through the Consolidated Review Fund (CRF). ¹³ Legislative authority and policy authority (from the Prime Minister or Cabinet) is required.

¹⁰ See list of suggested staff roles in table above showing comments from stakeholders

¹¹ The APS comprises entities that employ their staff under the Public Service Act 1999 (PS Act). This includes Category A: Departments, Category B: Statutory Agencies with all staff employed under the PS Act, Category C: Statutory Agencies which have the capacity to employ staff under the PS Act as well as under their own enabling legislation (dual staffing bodies), Category D: Executive Agencies (Note these are included as listed entities in the Public Governance, Performance and Accountability Act 2013. A fifth category (Category E) includes bodies which employ staff under the PS Act and operate with some degree of independence. However, these bodies are parts of APS agencies rather than separate APS agencies as defined in the PS Act.

¹² The Australian Heritage Grants Program provides grants ranging from \$20,000 - \$400,000. These grants support Australia's National Heritage List (KAVHA is included on this list). Section 4 of the Australian Heritage Grants 2019-20 guidelines outline the eligibility criteria, which includes Commonwealth corporate entities, and an entity incorporated in Australia. Section 4.3 states that non-corporate Commonwealth Government agencies or bodies are not eligible for grants under the program. In addition, the Commonwealth Grants Rules and Guidelines 2017 (CGRGs) establish the Commonwealth grants policy framework, which applies to all non-corporate Commonwealth entities subject to the PGPA Act. Section 2.3 of the CGRG states 'for the purposes of the CGRGs, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: a. under which relevant money or other CRF money is to be paid to a grantee other than the Commonwealth.

¹³ The CRF is a fund established by section 81 of the Constitution, which consists of all revenues and moneys raised or received by the executive government of the Commonwealth. The CRF is self-executing in nature, which means that all money received by the Commonwealth automatically forms part of the CRF. The Department of Finance's Resource Management Guide 306, Retainable receipts, states that 'Most money collected by non-corporate entities (NCEs), particularly administered amounts, is not retainable by a NCE, and is treated as unappropriated general government revenue (also known as administered receipts). This money must be remitted to the Commonwealth's central group of bank accounts, the Official Public Account (OPA). Money managed by NCEs is Commonwealth money and forms part of the CRF. For a NCE to retain and spend receipts, both legislative

Governance element	Details	Extent to which this can be achieved within a non-corporate Commonwealth entity (the Department)	Comment
	The Commonwealth provides technical assistance for conservation of Commonwealth owned collections (e.g. through the Australian National Maritime Museum).	Yes	The Australian National Maritime Museum currently provides assistance to KAVHA. The level of technical assistance could be formalised and expanded. This is not dependent on any specific entity type.

SOURCE: ACIL ALLEN CONSULTING

authority (in an Act, rule, instrument or other subordinate law) and policy authority (from the Prime Minister or Cabinet) are required. Section 74 of the PGPA Act does provide a mechanism where certain amounts received by entities may be retained by that entity. The categories of revenues mostly relate to amounts likely to be received by the entity to defray the cost of providing a good or service. Examples may include application or processing fees. The exact categories of monies that agencies are able to retain are set out in the Rules made under the PGPA Act.

3.2 Suitability of governance arrangements

The most significant limitations associated with governing KAVHA from within the Department concern the following areas:

- the ability to appoint a skills-based decision-making board that includes knowledge and expertise of the Norfolk Island cultures, including the Pitcairn culture, to oversee KAVHA within the frame of the Commonwealth-endorsed Heritage Management Plan
- the willingness to enter into multi-year contracts for expenditure on KAVHA given the constraints of annual appropriations
- flexibility to engage appropriately skilled staff outside the Department's ASL, including on a contract or secondment basis, to account for Norfolk Island's unique employment context and workforce development opportunities (small population, very remote location)
- the ability to raise and retain revenue, including over multiple financial years
- the ability to diversify sources of funding for KAVHA by being eligible to apply for and receive grants including from the Australian Government.

The following table provides preliminary analysis of the extent to which the various types of Australian Government bodies address the abovementioned limitations, enabling identification of three options that warrant further exploration (in addition to the first option where governance remains with the Department).

TABLE 3.2 PRELIMINARY ASSESSMENT: SUITABILITY OF GOVERNANCE ARRANGEMENTS FOR KAVHA

Type of government body	Body and description	Example	Further information	Comments regarding relevance for KAVHA
Primary bodies <i>All primary bodies are subject to the PGPA Act</i>	Non-corporate entities These entities are legally and financially part of the Commonwealth	Departments of state Parliamentary departments Listed entities prescribed in legislation	The body: – is directly accountable to the Parliament, including through parliamentary committees – is primarily budget funded – is subject to policies of the Australian Government – raises relevant money or performs regulatory activities under a law of the Commonwealth – is classified as part of the general government sector.	The Department is a non-corporate entity and, under current arrangements, has governance responsibility for KAVHA. There would be no material benefit in establishing a listed entity as KAVHA's governing body as it would not materially change the existing arrangements under which KAVHA is governed, nor would it be appropriate for the scale of KAVHA. A more appropriate option if KAVHA is to remain within the Department is to consider refinement of the existing governance arrangements (see OPTION ONE)
	Corporate Commonwealth entities Has a separate legal identity from the Commonwealth but is still part of the Australian Government.	Sydney Harbour Federation Trust, National Gallery of Australia	– The body will operate commercially or entrepreneurially. – A multi-member accountable authority will provide optimal governance for the body. – There is a clear rationale for the assets of the body not to be owned or controlled by the Australian Government. – The body requires a degree of independence from the policies and direction of the Australian Government.	This structure enables appointment of a skills-based decision-making board, is able to enter into contracts and does not necessarily require that staff be engaged under the PS Act. Enabling legislation may exempt a statutory body from Commonwealth taxes and charges. All primary bodies are subject to the PGPA Act. The extent to which establishing a corporate Commonwealth entity is appropriate for the scale of KAVHA is open to discussion but may be relevant given KAVHA's significance. This type of body is explored further (see OPTION TWO).
	Commonwealth companies Established under the <i>Corporations Act 2001</i> and are legally separate from the Commonwealth	Bundanon Trust (Commonwealth company limited by guarantee)	– The body will primarily conduct commercial or entrepreneurial activities and will generate profits for distribution to its members. – The body will operate in a commercial or competitive environment (at arm's length from government). – In some instances, the Australian Government is intending to sell the body in the short to medium term.	This structure enables the appointment of a skills-based board, the entity to enter into contracts, borrow funds and staff are not engaged under the Public Service Act 1999. Commonwealth companies are generally liable to pay taxes and charges. This type of body is explored further (see OPTION THREE)

Type of government body	Body and description	Example	Further information	Comments regarding relevance for KAVHA
Secondary statutory structures <i>Established within a primary body by legislation</i>	Statutory advisory structures Established by legislation to provide advice to government	Prime Minister's Business Advisory Council	- These bodies may report to a Commonwealth entity, an accountable authority or to the minister. Often ministers appoint members. - Members are likely to be external to the Australian Government. A representative of the Commonwealth entity may be included as an ex officio member. - A Commonwealth entity will usually provide financial support and staff to the body.	This option is not explored further as a separate option as it provides for advisory functions only. It may be incorporated into OPTION ONE with respect to establishing a body to replace the current (interim) KAVHA Advisory Committee. It is not an appropriate structure for the management of KAVHA.
	Statutory office holders, offices and committees Functions of the office, office holder or committee are recognised in legislation	The Administrator, Norfolk Island, Gene Technology Regulator	- The activity requires a level of independence from the responsible minister or the executive government. - The body requires the authority to legally enforce decisions. - Provides for a distinct ongoing status for the activity by describing it within legislation. - To achieve higher levels of accountability and transparency by describing the activities and powers in legislation.	This option is not explored further as this type of body does not address the constraints in the section preceding this table and governance of KAVHA does not require the associated benefits.
Secondary non-statutory structures <i>Not established in legislation</i>	Non-statutory advisory structures Financial Sector Advisory Council	Financial Sector Advisory Council	Similar to statutory advisory structures but without the legislative backing.	This option is not explored further as a separate option as it provides for advisory functions only. It may be incorporated into OPTION ONE with respect to establishing a body to replace the current (interim) KAVHA Advisory Committee. It is not an appropriate structure for the management of KAVHA.
	Non-statutory advisory structures with separate branding Centrelink, Medicare	Centrelink, Medicare	An activity within a Commonwealth entity, supported by staff from that body that employs branding/marketing separate from the department/executive agency for the purposes of engaging with stakeholders (mostly external).	This option is not explored further as this type of body does not address the constraints in the section preceding this table and governance of KAVHA does not require the associated benefits.
Other governance relationships	Ministerial Councils and related bodies Heads of Treasuries	Heads of Treasuries	Ministerial Councils provide a forum for Australian Government, State and Territory Ministers to discuss national policy issues.	Not relevant for managing entities, nor is this appropriate for the scale of KAVHA.

Type of government body	Body and description	Example	Further information	Comments regarding relevance for KAVHA
	National law bodies	The Australian Health Practitioner Regulation Agency	National law bodies coordinate national activities and undertake regulatory roles such as licensing, regulation or compliance.	Not relevant to KAVHA.
	Inter-jurisdictional and international bodies	National Blood Authority	Governance structures for inter-jurisdictional bodies vary depending on the activities undertaken and the outcomes of negotiations between the participating jurisdictions. Statutory governance structures for inter-jurisdictional bodies can be set up in Commonwealth law (as a Commonwealth entity).	This option is not explored further. Bodies that are accountable to more than one government face significant governance issues as accountability arrangements differ across jurisdictions. This approach is disproportionately complex for the arrangements required for governing KAVHA and would increase rather than simplify the challenges involved.
	Structures linked to the Australian Government through statutory contracts, agreements and delegations	AgriFood Skills Australia	These refer to bodies that are owned and operated by the private sector that, through legislation, legislative instrument, statutory contract or agreement, deliver services on the Government's behalf.	This option is not explored further. While management of KAVHA may well require contracting with privately owned bodies, these arrangements would not require or benefit from legislation or legislative instruments etc. Such arrangements would unnecessarily reduce flexibility.
	Joint ventures, partnerships, trusts, incorporated associations and interests in other companies	Examples of incorporated associations include Cooperative Research Centres	The Australian Government (through a Minister and/or a Commonwealth entity) may own 50% or more of the equity, either directly or indirectly. Where there is an interest less than 50%, but the value of equity is material, the Department of Finance should be consulted on the potential need to list the body on the Register. - Established to carry out certain business operations or hold assets on a commercial/independent basis from the parent entity through an agreement. - Staff may be employed by the body directly, or depending on the governance arrangements, be provided by the Commonwealth entity and/or private sector partner.	The Australian Government can participate in forming bodies such as associations incorporated under state and territory law. These entities can appoint a skills-based board, enter into contracts, engage staff, raise and retain revenue and apply for grants. The PGPA Act does not govern these bodies, therefore establishing arrangements need to ensure that appropriate oversight is in place. The entity must be registered under the Corporations Act 2001 to transact across Australia. This option is explored further (see OPTION FOUR).
	Subsidiaries of corporate Commonwealth entities and Commonwealth companies	Subsidiaries of Indigenous Business Australia and Indigenous Land Corporation	Defined in section 8 of the PGPA Act 2013 as "an entity that is controlled by a corporate Commonwealth entity or Commonwealth company".	This option is not explored further as there is no corporate Commonwealth entity or Commonwealth company relevant to KAVHA.

SOURCE: AUSTRALIAN GOVERNMENT, DEPARTMENT OF FINANCE, AUSTRALIAN GOVERNMENT ORGANISATIONS REGISTER – TYPES OF BODIES


 A large purple rectangular graphic with a white number '4' in the upper right corner and the word 'OPTIONS' in white capital letters in the lower left corner. A small yellow and orange geometric logo is in the top left corner.

4

OPTIONS

This chapter outlines four potential governance options for KAVHA based on the analysis outlined in Chapter 3.

Four options have been identified that warrant further exploration regarding their suitability as governance arrangements for KAVHA.

These options are:

1. No new entity is established, and existing arrangements are refined.
2. A Corporate Commonwealth entity is established.
3. A Commonwealth company is established.
4. An incorporated association is established.

The scale of KAVHA is less than generally applies to the creation of the entities described in options two, three and four. Nonetheless, the specialist nature of the functions of managing KAVHA, the level of the integration of KAVHA with the living heritage of the local community, and the remoteness of Norfolk Island all reinforce that its special circumstances warrant consideration on criteria other than size of operations.

4.1 Option one: revision of existing arrangements

4.1.1 Description

Under this option, the KAVHA Advisory Committee is reviewed and reconstituted as a skills-based Advisory Board charged with overseeing the implementation of the Heritage Management Plan. The chair is independent, and convention is for the Commonwealth to accept the advice of the Advisory Board. The responsible officer is an ex-officio member of the Advisory Board. Clear terms of reference govern the Advisory Board's activities.

Under this option, all relevant staffing (Commonwealth and NIRC) and Commonwealth funded activity regarding KAVHA is brought under the direction and control of the responsible officer, who is employed by the Department and located on Norfolk Island. This means KAVHA is managed by the responsible officer in a unified way with a single point of operational authority concerning conservation, preservation, maintenance and interpretation. This includes aspects of the SDA relevant to KAVHA including the maintenance of KAVHA performed by the works crew, and the conservation, display and interpretation of the KAVHA and Sirius Collections. It is open to the NIMT to come to an arrangement with the Department regarding the conservation, interpretation and display of the Trust's collection.

The responsible officer is supported by a team of appropriately skilled staff. In the first instance some of these staff may be seconded to the Department from the NIRC and non-Island based ASL and

funding may need time to transfer to NI and be subject to recruitment processes. If direct employment is not feasible, contracting arrangements may be considered.

4.1.2 Strengths

The major strength of Option One is that it is relatively straight forward to implement. It represents a redirection of existing Commonwealth funding and does not require establishment of additional bodies, other than the replacement of the KAVHA Advisory Committee with the KAVHA Advisory Board.

A skills-based Advisory Board, tasked appropriately, is likely to increase the professionalism of the site's operations and provide greater support to the responsible officer, particularly with respect to obligations as a National and Commonwealth Heritage listed site and as part of a World Heritage Site listing.

All activity relating to KAVHA is brought under the direction and control of the responsible officer.

4.1.3 Challenges

This option does not address the issues associated with funding. No provision is made for funds generated by KAVHA to be retained, or for the multi-year application of funds generated from fees and charges. There is no change regarding eligibility for grants, although establishment of a KAVHA Foundation (or similar) may address this issue depending on the grants' eligibility criteria.

This option does not address the staffing limitations associated with the ASL and funding caps.

The creation of a skills-based Advisory Board may be considered as a simple change of name, with no progress toward a meaningfully constituted body able to make and implement its own decisions. This option is unlikely to build trust with the Norfolk Island community and while there is broad (not unanimous) support for unified management of KAVHA, there is likely to be uncertainty regarding the perception of increased Commonwealth control.

4.2 Option two: Commonwealth corporate entity

4.2.1 Description

This option involves the establishment of a Commonwealth corporate entity to manage KAVHA. It is likely to require enabling legislation, although the Finance Minister may establish a new corporate entity through a rule made under the PGPA Act. An independent, skills-based Board is established which has decision making authority, with roles and responsibilities clearly set out in the enabling legislation (or equivalent). All current Commonwealth funded activity regarding KAVHA becomes the responsibility of the Commonwealth corporate entity.

The responsible officer is employed by and accountable to the Board.

All KAVHA-related activity is under the direction and control of the responsible officer, and that officer and all relevant staff are located on Norfolk Island. This means KAVHA is managed in a unified way with a single point of operational authority concerning conservation, preservation, maintenance and interpretation by the responsible officer. This includes aspects of the SDA relevant to KAVHA including the maintenance of KAVHA performed by the works crew, and the conservation, interpretation and display of the KAVHA and Sirius Collections. The ASL and funding for the Departmental KAVHA functions would also transfer to the control of the responsible officer and be located on the Island. It is open to the NIMT to come to an agreement with the entity regarding the conservation and interpretation of the NIMT Collection.

The responsible officer is supported by a team of appropriately skilled staff. In the first instance, these staff may be seconded to the entity from the NIRC. If direct employment is not feasible, contracting arrangements may be considered.

Commonwealth funding currently provided for KAVHA's operations would flow to the entity.

This option does not involve transferring ownership of the KAVHA assets to the new entity. Ownership of these assets remains with the Commonwealth.

4.2.2 Strengths

This option is likely to be viewed positively by the Norfolk Island community as it would have a greater degree of independence from the Commonwealth compared to current arrangements.

The presence of a skills-based board with decision-making authority is likely to attract high quality candidates and a greater sense of 'buy-in' than for an advisory board. This provides a greater level of surety that obligations arising from KAVHA's inclusion as part of the Australian Convict Sites' World Heritage Listing will be met.

This option does allow for the direct engagement of staff.

This option allows for greater scrutiny by the responsible minister under the PGPA Act than is available for a Commonwealth company.

A Commonwealth corporate entity can apply for Australian Heritage grants, hold money on its own account, and borrow or invest money.

Enabling legislation can exempt the body from Commonwealth taxes.

4.2.3 Challenges

Establishing a Commonwealth corporate entity brings obligations around sufficiency of funding. This type of entity is particularly suitable when the Commonwealth does not provide a substantial proportion of funding and will operate commercially or entrepreneurially. It is anticipated that KAVHA will generate more revenue as the Heritage Management Plan is implemented, but it is not expected to be financially self-sufficient.

There are limitations on Commonwealth companies entering into multi-year agreements if they rely on annual funding from the Commonwealth Government as lack of funding certainty may affect their ability to pay debts when they fall due. Although agreement to enter such contracts can be reached with the Commonwealth central agencies and Ministers, it may constrain KAVHA's anticipated future operations.

The reporting obligations under the PGPA Act can be onerous, particularly for a small entity.

There may be challenges with the body receiving administrative support from the Commonwealth through a shared services agreement, though it would be inefficient for such corporate functions to be duplicated.

4.3 Option three: Commonwealth company

4.3.1 Description

This option involves establishing a Commonwealth company to manage KAVHA. This option is similar in many ways to option two, in that it enables establishing a skills-based board with decision making authority and responsibility for oversight of KAVHA. The responsible officer will report to the board and will control and direct work performed at KAVHA, including activities associated with the conservation, interpretation and display of the Commonwealth-owned collections. As with other options, the NIMT may wish to enter into an agreement with the entity regarding the conservation, interpretation and display of the collection it owns.

Appropriately skilled staff will be engaged either directly, through secondment arrangements or under contract, and will be based on-Island.

This type of entity can apply for Australian Heritage grants.

This option does not involve transferring ownership of the KAVHA assets to the new entity. Ownership of these assets remains with the Commonwealth.

4.3.2 Strengths

There are two major strengths associated with this option. Firstly, there is precedent within the Department for this type of arrangement as the Bundanon Trust is a Commonwealth company limited by guarantee.

Secondly, and similar to option two, the Norfolk Island community is likely to accept an option where there is a greater degree of independence from the Commonwealth in overseeing KAVHA.

Once created, a company has the power to enter into transactions and borrow money.

4.3.3 Challenges

There are some significant challenges associated with this option. The Commonwealth is afforded less scrutiny over this type of body under the PGPA Act, which may raise concerns for the Department given its obligations arising from National and Commonwealth Heritage listing and from the World Heritage Listing of the Australian Convict Sites, and KAVHA's inclusion as one of these sites.

Commonwealth companies are generally liable to pay taxes and charges, which is undesirable given the limited funding available to KAVHA.

There are limitations on Commonwealth companies entering into multi-year agreements if they rely on annual funding from the Commonwealth Government as lack of funding certainty may affect their ability to pay debts when they fall due. Although agreement to enter such contracts can be reached with the Commonwealth central agencies and Ministers, it may constrain KAVHA's anticipated future operations.

The reporting obligations under the PGPA Act can be onerous, particularly for a small entity.

There may be challenges with the body receiving administrative support from the Commonwealth through a shared services agreement, though it would be inefficient for such corporate functions to be duplicated.

4.4 Option four: Incorporated Association

4.4.1 Description

This option involves establishing an incorporated association for the purpose of managing KAVHA. Other entities in addition to the Commonwealth are included as members and may include organisations with relevant heritage expertise and understanding of Norfolk Island culture and values.

A skills-based board with decision-making authority is established, bringing with it the advantages identified previously. The responsible officer will be an ex-officio member of the Board.

The Department contract's the Incorporated Association to manage KAVHA in accordance with the Heritage Management Plan. The contract is time-limited with options for extension based on satisfactory performance against key performance indicators set out in the contract.

The responsible officer is employed by the Department but reports to the Board. As with other options, the responsible officer directs and controls all activities associated with the management of KAVHA and the KAVHA and Sirius Collections.

The responsible officer and appropriately skilled support staff are located on Norfolk Island. The staff are engaged either directly by the Incorporated Association, through secondment arrangements or under contract.

This option does not involve transferring ownership of the KAVHA assets to the new entity. Ownership of these assets remains with the Commonwealth.

4.4.2 Strengths

This option is likely to gain support from the Norfolk Island community as it provides an opportunity for high levels of community engagement and a greater degree of independence from the Commonwealth supported by professional oversight and management of KAVHA.

This option enables appointment of a skills-based board, the benefits of which are described previously.

Key strengths of this option include an incorporated association's ability to enter into contracts, engage staff (outside the PS Act and ASLs), raise, retain and apply revenue across multi-year periods, and apply for grants.

The PGPA Act reporting requirements do not apply. Oversight is provided by the skills-based board and by the Commonwealth through management of the contract that sets out the arrangements through which the entity manages KAVHA. The Commonwealth has the ability to terminate the contract if performance levels and conditions specified in the contract are not met. If the approach proves problematic, the Commonwealth can elect to discontinue arrangements at the completion of the contract.

There are precedents where state governments successfully contract out the management of key cultural assets to not-for-profit entities.¹⁴

4.4.3 Challenges

The PGPA Act does not govern these bodies, therefore establishing arrangements need to ensure that appropriate oversight is in place.

The constitution of the incorporated association will need to be drafted carefully to ensure there are adequate controls in place to protect KAVHA's and the Commonwealth's interests. Similarly, due consideration will need to be given to selecting the other members of the entity.

The contract between the entity and the Commonwealth will describe the circumstances under which the contract can be terminated, for example for poor performance. Inclusion of such a clause, whilst necessary, may cause further strain to the relationship between the Norfolk Island community and the Commonwealth. Termination of the contract by the Commonwealth may well incite significant backlash from the Norfolk Island community.

The entity must be registered under the Corporations Act 2001 to transact across Australia.

4.5 Assessment of options against the Framework

The following table provides a summary of the extent to which each option addresses the elements of the KAVHA Governance Assessment Framework.

¹⁴ For example, the Victorian Government contracts the Melbourne Cricket Club (a body corporate incorporated under the Melbourne Cricket Club Act 1974) to manage the Melbourne Cricket Ground.

TABLE 4-1 ASSESSMENT OF OPTIONS AGAINST GOVERNANCE ASSESSMENT FRAMEWORK

Element	Detail	Option One Revise existing arrangements	Option Two Commonwealth corporate entity	Option Three Commonwealth corporation	Option Four Incorporated Association
Governance structure including community engagement	The governance structure for KAVHA is legally recognised under Australian Government legislation.	✓	✓	✓	✓
	The governance structure is appropriate for the scale and significance of KAVHA.	✓	Arguable given the skills required to professionally oversee the site	Arguable given the skills required to professionally oversee the site	✓
	There is a statement of expectations from the Minister, which raises the profile of KAVHA including within the Department and focusses attention on KAVHA through reporting against these expectations.		✓	✓	✓
	The KAVHA governing body has the authority to implement the Heritage Management Plan.		✓	✓	✓
	The KAVHA governing body is skills-based rather than representative. This includes a range of knowledge and expertise including: – heritage management and archaeology – economic development – cultural tourism – Norfolk Island cultures and values (multiple members, including deep expertise in the cultures and values of the people of Pitcairn descent).		✓	✓	✓
	The governance structure for KAVHA includes community involvement where roles and responsibilities are clearly defined. Options for community engagement include: – A skills-based KAVHA governing body where knowledge and expertise in Norfolk Island cultures and values on the KAVHA decision-making body is mandated (strongly supports the principles) – Community knowledge and expertise on the KAVHA governing body is recommended (medium level of support for the principles) – And/or community advisory structures with clear reporting arrangements to the responsible officer and the KAVHA governing body (lower level of support for the principles).		✓	✓	✓

Element	Detail	Option One Revise existing arrangements	Option Two Commonwealth corporate entity	Option Three Commonwealth corporation	Option Four Incorporated Association
	Within the framework of the Heritage Management Plan, the KAVHA governing body is a single point of authority for strategic level decision-making on all matters relating to the management and conservation of KAVHA and the KAVHA and Sirius Collections. There is a clearly described and well understood line of authority and delegations for making decisions for managing KAVHA, including the museum and buildings on the site. This includes clarifying the arrangements with the NIMT regarding management of the museums and the display, conservation and interpretation of the KAVHA and Sirius Collections. It is open to the NIMT and the Commonwealth to establish an agreement regarding the display, conservation and interpretation of the NIMT collection. Any conflict regarding the legislative responsibility of the Conservator of Public Reserves under Norfolk Island law is resolved.		✓	✓	✓
Vision and planning	There is a unified, well understood and clearly described vision for KAVHA that aligns with the World and National Heritage obligations and addresses the complex history of KAVHA and its role as a living cultural heritage site. The vision is endorsed by the Commonwealth and developed in consultation with the Norfolk Island community.	✓	✓	✓	✓
	The vision for KAVHA is supported by a Heritage Management Plan that provides for the economic, cultural, social and educational development of the site and its use by Norfolk Islanders as a living cultural site. The Plan supports management of KAVHA over multiple periods as a multi-cultural heritage site through a unified and coherent curatorial approach.	✓	✓	✓	✓
Decision making	Operational decision making occurs within the context of the Heritage Management Plan.	✓	✓	✓	✓

Element	Detail	Option One Revise existing arrangements	Option Two Commonwealth corporate entity	Option Three Commonwealth corporation	Option Four Incorporated Association
	The responsible officer represents a single point of authority based on the Island for operational level decision-making concerning all of KAVHA within the framework of the Heritage Management Plan, with that officer being responsible to the KAVHA governing body. The responsibilities of that officer include: – interpretation, conservation and display of the site, structures and the Sirius and KAVHA Collections – setting and collecting fees and charges – the retention and multi-year application of funds generated from fees and charges, and grants received from other bodies – employment or other direct control of capital works or maintenance, including the works crew (who are currently providing services through a SDA with NIRC) – the running of the museum at KAVHA (and the display of the KHAVHA and Sirius Collections) – if agreed with the NIMT, the interpretation, conservation and display of the Collection owned by the Trust in a manner set out in that agreement.	Partially	Partially	Partially	✓
	Operational decisions are taken and managed by staff on Norfolk Island, acting under the direction of the responsible officer.	✓	✓	✓	✓
Staffing	There are sufficient, appropriately qualified staff ¹⁵ on-Island to implement agreed operational level plans who have clearly defined roles and responsibilities.	✓	✓	✓	✓
	KAVHA staff are under the direction of the responsible officer. The staff are: – Australian Public Servants where appropriate and/or – employees of a new entity established to manage KAVHA and/or – engaged on a contract basis and/or – seconded to KAVHA.	✓	✓	✓	✓
Funding and assistance	The KAVHA governing body has control over sufficient resources to implement the Heritage Management Plan, including the level of certainty necessary to achieve the strategic vision. All revenues and expenditures relevant to the functions of KAVHA should come under control of this body, with the appropriate delegations to the responsible officer.	Sufficiency dependent on budget allocation	Sufficiency dependent on budget allocation	Sufficiency dependent on budget allocation	Sufficiency dependent on budget allocation
	The KAVHA governing body is able to apply for and receive grant funding from the Commonwealth and other funding bodies.		✓	✓	✓

¹⁵ See list of suggested staff roles in comments from stakeholders

Element	Detail	Option One Revise existing arrangements	Option Two Commonwealth corporate entity	Option Three Commonwealth corporation	Option Four Incorporated Association
	The KAVHA governing body is able to receive and hold funds across financial years, including revenue generated by commercial activities at KAVHA.		Dependent on establishing arrangements	Dependent on establishing arrangements	✓
	The Commonwealth provides technical assistance for conservation of Commonwealth owned collections (e.g. through the Australian National Maritime Museum).	✓	✓	✓	✓

4.6 Implementation

This paper identifies a significant number of actions that can be implemented to improve governance arrangements for KAVHA without establishing a new entity.

It is open to the Commonwealth to make such changes as an interim step prior to establishing a new entity, which will ultimately be required if all the limitations arising from the current arrangements are to be addressed.



Provided by the Department and/or stakeholders

- KAVHA Background Report April (2020)
- Background briefing – KAVHA Governance Discussions (2018)
- Commonwealth Governance Structures Policy Assessment Template – Review of New or Existing Body (2018)
- KAVHA Advisory Committee papers (detailed summaries of reports) Oct 2016 - July 2019

Attachments to briefing documents:

- KAVHA Economic Study findings
- Other governance reform findings
- ACS Cockatoo Island
- PAHSMA model
- National Capital Authority

Kingston and Arthur's Vale Historic Area Heritage Management Plan (2016)

KAVHA Development Control Plan (Draft 2019)

Cultural Landscape Management Plan (2019)

Norfolk Island Community comments, ideas and suggestions for the Eric Martin and Associates report
Development of a Masterplan for Kingston and Arthur's Vale Historic Area (KAVHA): Concepts from
Public Consultation

Norfolk-Island-Community-Engagement-Framework (2019)

KAVHA Economic Feasibility Study (2017)

KAVHA Governance Review 2010

Service Delivery Agreement

- Signed 2016-2019 SDA
- Email - RE Feedback on SDASDA Budgets 19-20
- SDA Report 2019-2020 - Q1 (Final)

Minutes and meeting papers from KAVHA Advisory Committee meetings, relevant to the issue of
governance

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FINAL REPORT

KAVHA Economic Feasibility Study



*Prepared for
Department of Infrastructure and Regional Development
October 2017*

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Executive summary

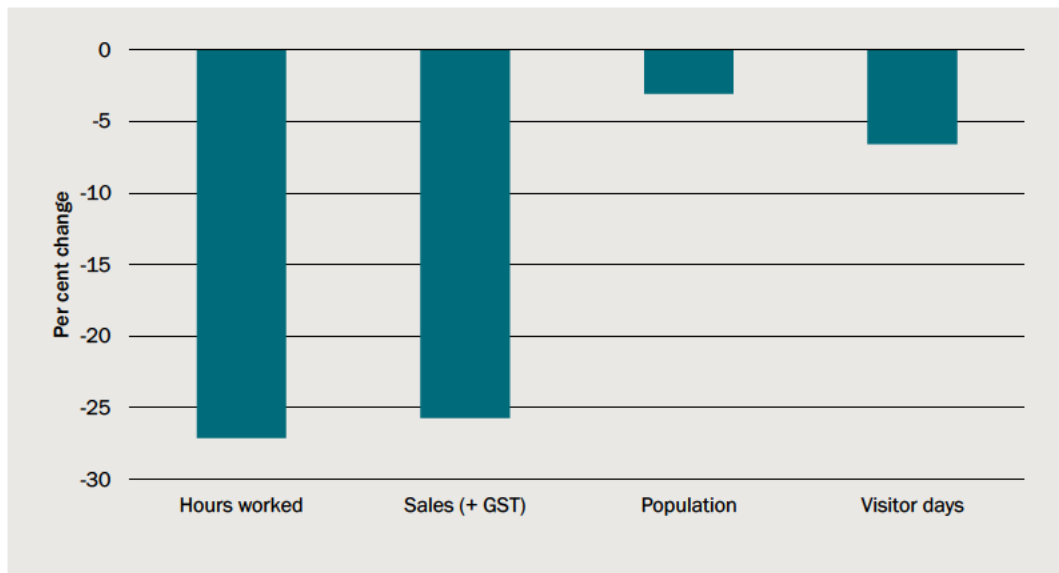
The Norfolk Island economy has experienced a period of prolonged decline

Most available indicators of Norfolk Island's economic performance suggest a long term decline in the economy. Estimates of nominal gross territory product (GTP) suggest the economy has contracted by around 4 per cent since 2003-04, and with prices likely to have risen since 2003-04, the contraction in real GTP would be even larger.

In 2015-16 Norfolk Island's nominal GTP was estimated to be \$66 million, which equates to an average of \$37 781 per capita. In comparison, Australian GDP per capita was \$68 587.

Other available indicators also show a fall in economic activity. Chart 1 shows that over the 2009-10 to 2015-16 period hours worked, total sales, population and visitor days on-island have all fallen.

1 Changes in the economy of Norfolk Island over 2009-10 to 2015-16



Data source: CIE.

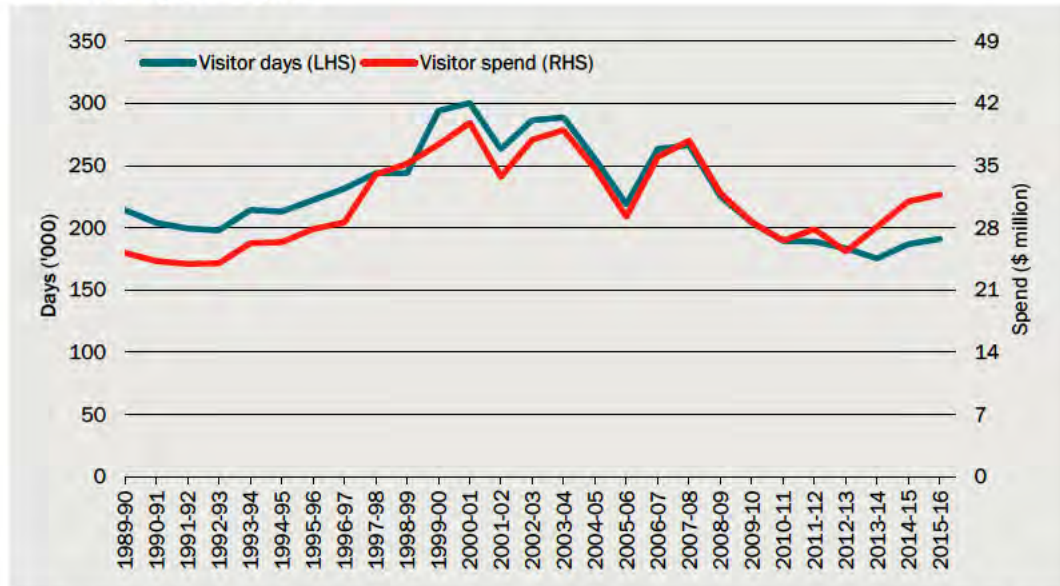
Tourism is Norfolk Island's main area of economic activity

Tourism represents around 58 per cent of economic activity, which means the economy is heavily dependent on visitor numbers, the length of stay and on-island visitor spend. While tourism numbers are lower than peak visitation of around 41 000 during the early-2000s, from chart 2 it can be seen that there has been a slight increase in visitation and

tourist spend over the past 5 years. In 2015-16 over 28 500 tourists visited Norfolk Island, spending some \$31.7 million in the local economy.

Activities that lead to improved tourist numbers, length of stay or visitor spend could positively impact the Norfolk Island economy.

2 Visitor days and spend



Note: The estimated visitor days and spend reflects a number of factors, all of which change over time/vary between years. The factors comprise the number of visitors coming to Norfolk Island (by air and by cruise ship), the length of time spent on island, and the spend per visitor type (air passenger in public accommodation, air passenger in private accommodation and cruise passenger) whilst on island.

Data source: Norfolk Island Government Tourist Bureau, TRANSAM Argosy, stakeholder consultations, and CIE calculations.

KAVHA is an important part of Norfolk Island tourism

KAVHA is an important part of Norfolk Island tourism, with more than 78 per cent of people visiting Norfolk Island going to KAVHA and with 38 per cent of tourists reporting that KAVHA was their main reason for visiting. While most visitors go to KAVHA, results from a CIE Attribution Survey suggest that 16 per cent of visitors to Norfolk Island would not have visited if KAVHA did not exist. It is therefore estimated that 16 per cent of tourism is attributable to KAVHA itself.

Applying an estimated attribution factor of 16 per cent to the estimated on-island tourism spending of \$31.7 million in 2015-16 suggests that tourism spending of approximately \$5.1 million was attributable to KAVHA, or between \$3.5–6.7 million using lower and upper bounds of 11 and 21 per cent respectively. KAVHA's contribution to Norfolk Islands GTP in 2015-16 is estimated at between \$4–8 million.

KAVHA's conservation funding is insufficient

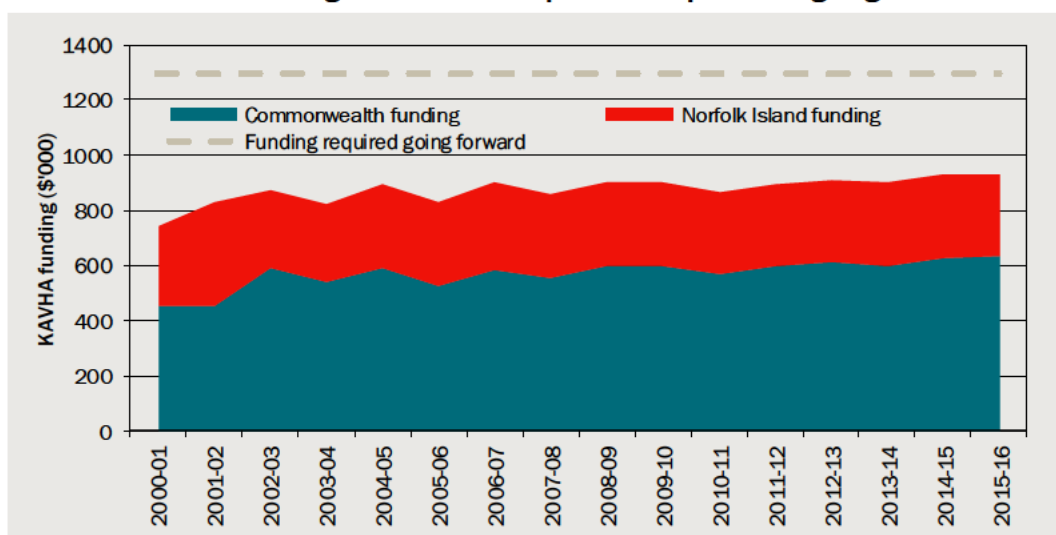
Australia has an obligation to conserve and interpret the World Heritage KAVHA site. The current level of conservation funding is not sufficient to allow this obligation to be met.

Conservation funding of KAVHA for operational expenditure has typically been in the order of \$900 000 per annum up until 2015-16. This funding covered all aspects of KAVHA operations including maintenance, the KAVHA Board and Secretariat, insurances, museum/research centre costs and the employment of a Commonwealth Heritage Manager.

In 2016-17, new funding arrangements commenced that have seen the amount of 'on the ground' funding going to KAVHA for building conservation, interpretation and maintenance activities being reduced to \$440 000 (plus in-kind services provided by the Norfolk Island Regional Council). The reduction in conservation funding has necessitated KAVHA moving from the recommended cyclic maintenance program to an 'as needed' maintenance program, which is not appropriate for a site such as KAVHA. The current level of funding is insufficient to enable adequate and best practice heritage conservation of the site. Furthermore, it is believed that conservation and interpretation at KAVHA is below the standard of other Australian Convict Sites on the World Heritage List.

Based on historical maintenance budgets, it would appear that annual conservation and interpretation funding should be in the order of (a real) \$1.3 million per annum. Chart 3 reports KAVHA funding over time and funding required going forward. It should be noted that a detailed forward looking (cyclical) maintenance budget for KAVHA has not been prepared. Preparing such a budget would seem to be of upmost priority.

3 Nominal KAVHA funding to 2015-16 compared to requirement going forward



Data source: DIRD, NIRC and NIA Annual Reports, Attorney-General's Governance Review (2009), CIE.

There is potential to raise funds for KAVHA from a range of sources

Required funding for KAVHA could come from a number of sources, including:

- the Australian Government (on behalf of the wider Australian population)
- visitors to/users of the site
- commercial opportunities to improve the visitor/user experience.

Government support of KAVHA will likely be required going forward. All Australian Convict Sites require some level of government support, with site generated revenue not being sufficient to recover costs at any site. In 2015-16 site generated revenue at KAVHA recovered 21 per cent of costs (versus 85 per cent at the Port Arthur Historic Site). There would seem to be potential for KAVHA to achieve a greater rate of cost recovery.

KAVHA is a working site, it also contains numerous sporting and leisure resources used by residents, and is important to the wider Norfolk Island community. As such, residents use of the site should not be seen as a revenue generating opportunity. The residents of Norfolk Island should continue to have unrestricted access to KAVHA.

There are a range of options to enhance KAVHA's contribution to the economy

Improving site conservation and interpretation would be a source of economic stimulus in itself, and it could be expected to draw additional visitors to Norfolk Island, which would be another source of economic benefit.

A study into the contribution of the Port Arthur Historic Site to the Tasmanian economy found that a 10 per cent increase in conservation spending increased visitor numbers by 1.1–1.4 per cent, with a two year lag between expenditure and increased visitor numbers. If the same findings hold true for KAVHA, then economic modelling suggests that increasing conservation expenditure to \$1.3 million, combined with the resultant increase in visitors to Norfolk Island (induced demand), could see GTP being some \$4 million higher than otherwise in 2026-27.

While visitor satisfaction with KAVHA is overall positive, there are indications that the visitor experience at KAVHA is not of the quality expected for a contemporary World Heritage tourist attraction:

- there is a lack of information to make the visit informative and engaging
- there are issues around the quality of tours delivered by external operators on the site
- museum conditions are limiting the scale and quality of displays
- uncontrolled parking detracts from the picturesque views for visitors and risks damaging heritage assets
- visitors note there is not enough to do at the site, a café is lacking and better access to buildings required.

Given these identified shortcomings, the visitor experience at KAVHA could be improved through:

- investing in KAVHA information resources such as website enhancements, interpretation panels and a site app
- tour operator licensing and accreditation
- museum infrastructure investment
- introduction of a site orientation walking tour
- better visitor facilities and experiences such as toilets, BBQs, food and beverage services and special interest experiences.

Improving the visitor experience will likely necessitate the introduction of a KAVHA entry fee for visitors (via a visitor pass) to fund the visitor experience improvements. The visitor pass could include high value/low cost inclusions to create an appealing product for tourists with opportunities for upselling and cross-promotion. The introduction of a KAVHA Visitor Pass is recommended for 2019-20, to enable a two year lead time for a seamless transition from current arrangements.

Economic modelling suggests that reinvesting revenue earned from a KAVHA Visitor Pass (estimated at \$835 000 in 2026-27) into the KAVHA site to improve the visitor experience could contribute another \$3 million to Norfolk Island's GTP in 2026-27.

The increased conservation funding and improved site visitor experience is estimated to see almost 1200 additional people visiting Norfolk Island in 2026-27.

Increasing the per person spend at KAVHA will further enhance KAVHA's economic contribution, which can be achieved through a combination of:

- improving the KAVHA visitor experience, to increase its value in the eyes of visitors and extend the length of time spent on-site and spend
- providing commercial opportunities for businesses to operate visitor experience products and services on-site that generate revenue for KAVHA and local businesses.

Potential commercial opportunities include accommodation, food and beverage outlets, new visitor experiences and special events, requiring the development of a Commercial Use Policy.

Governance is impeding the realisation of KAVHA's potential

Governance arrangements at KAVHA need to improve, however, the nature of any new governance arrangements depends on stakeholders' ambitions for KAVHA.

If only site conservation and interpretation is being contemplated, then the current governance arrangements, with a few changes, would probably suffice. At a minimum, the following broad amendments to the current governance arrangements are recommended:

- the KAVHA works crew are employed by the Australian Commonwealth and report to the Commonwealth Heritage Manager at KAVHA
- KAVHA to have responsibility for the various museum collections (noting the relationship between KAVHA and the Norfolk Island Museum Trust collection is to be decided), in effect giving rise to a 'one KAVHA' type arrangement
- approval is needed from the Commonwealth Heritage Manager for all on-site activities that have the potential to impact site conservation and interpretation, with input being sought from the Commonwealth Heritage Manager on other on-island activities that have the potential to impact KAVHA.

If KAVHA does take on responsibility for the various museum collections, then additional funding will be required from the Australian Government as the museums are currently not recovering their costs (\$95 000 shortfall in 2016-17). The museums would be funded through the KAVHA Visitor Pass if operationalised.

The required governance arrangements become more complicated if KAVHA is to generate and retain revenue for reinvesting in the site and further improve conservation and the visitor experience.

There are a number of potential governance structures that could be used, for example a state or Commonwealth GBE, or a statutory authority/corporate entity such as the Director of National Parks. Whatever governance structure is used, it is important that it meets the good governance principles of:

- a 'one-KAVHA' approach
- consultative and stakeholder participation
- utilises expert knowledge
- provides transparency in decision-making
- provides greater visibility
- is of appropriate scale to the KAVHA operation.

It is also recommended that a formal mentoring relationship be established between the governing KAVHA authority and a body such as PAHSMA or the Australian National Maritime Museum (informal mentoring is already ongoing in some areas). A formal mentoring arrangement could potentially allow for a faster transition to effective governance and greater cost recovery at KAVHA.

The wider Norfolk Island tourism offer

Improving conservation and the visitor experience at KAVHA is expected to marginally contribute to more visitors to Norfolk Island. A marginal increase in tourist numbers is expected because in isolation, KAVHA has limited influence on visitor numbers.

There are numerous other improvements needed to increase Norfolk Island's destination appeal and drive more tourists, including improved accessibility, overall tourism offer (product and services), infrastructure and marketing.

Current constraints to improving the destination appeal includes an apparent lack of will on behalf of some tourism operators, lack of capacity/skills and tourism market knowledge, and lack of capital.

A holistic approach to identifying tourism problems, root causes and solutions, is critical for any meaningful change to tourist numbers and revenues on Norfolk Island.

About this report

There have been many studies on Norfolk Island over the past 10 years. While the topic of the studies has differed, they all share a common ‘first impression’ of Norfolk Island — it is a spectacularly beautiful location.

Adding to the natural landscape is a fascinating and unparalleled history centred on the Kingston and Arthur’s Vale Historic Area (KAVHA). This area of Norfolk Island, spanning some 225 hectares in size, was the site of an early Polynesian settlement, then a colonial convict settlement followed by a penal convict settlement, and in 1856, became home to the Pitcairn Islanders, decedents of the HMAV Bounty mutineers.

KAVHA is one of the 11 Australian Convict Sites that, in July 2010, were placed on the World Heritage List.¹ While, strictly speaking, it is the two convict settlements that are on the World Heritage List, the Pitcairn Islander story is an important part of KAVHA’s history and underlies the community’s strong cultural and spiritual ties to the area. The site is also on the Australian National Heritage List and Commonwealth Heritage List, which affords it protections under the *Environmental Protection and Biodiversity Conservation Act 1999*.²

Not only is KAVHA of historical value and central to the Norfolk Island community, but it also contributes to the Norfolk Island economy, through expenditure associated with preserving and interpreting the site, and through drawing tourists to Norfolk Island. It is this latter role — KAVHA and the Norfolk Island economy — that is the focus of this study, with the study investigating:

- the direct and indirect contribution of KAVHA to the Norfolk Island economy
- the annual base funding required to maintain KAVHA’s contribution to the Norfolk Island economy and preserve the site’s historical value
- the key factors likely to inhibit or enhance KAVHA’s future contribution to the Norfolk Island economy, and the potential costs (funding requirements) and benefits of these
- the governance arrangements that will best support KAVHA going forward.

To gain an appreciation of KAVHA and its needs and opportunities and to meet with stakeholders, a CIE team visited Norfolk Island in June 2017. The Cockatoo Island Convict Site and Port Arthur Historic Site were also visited as potential comparators to

¹ The other (World Heritage Listed) Australian Convict Sites include Old Government House and Domain, Hyde Park Barracks, Cockatoo Island Convict Site, Old Great North Road, Brickendon and Woolmers Estates, Darlington Probation Station, Port Arthur Historic Site, Coal Mines Historic Site, Cascade Female Factory and Fremantle Prison.

² *Environment Protection and Biodiversity Conservation Act 1999* [Cth], available at <https://www.legislation.gov.au/Details/C2016C00777>

KAVHA. Meetings were held with the Norfolk Island Regional Council, the Norfolk Island Administrator, the on-island Commonwealth Heritage Manager, private sector businesses and individuals, and the various bodies with responsibility for the other Australian Convict Sites.

The CIE would like to thank all of those stakeholders who participated in the consultation process, and who provided information and data in response to questions about the operation of KAVHA, the Norfolk Island economy, and comparator convict sites. The stakeholders consulted are identified in appendix A.

This report and the economic modelling undertaken have been generated from data made available by the Norfolk Island Regional Council and other stakeholders. It should be appreciated that only limited economic data is available for Norfolk Island.

The report is structured as follows. Chapter 1 provides an overview of the Norfolk Island economy, and the contribution of tourism to economic activity. Chapter 2 considers what share of tourism spend, and economic activity, can be attributed to KAVHA itself. In chapter 3 the baseline funding required to preserve the KAVHA site going forward is considered, while in chapter 4 the economic contribution of KAVHA under the baseline funding is estimated. Chapter 5 investigates (tourism related) options for enhancing KAVHA's contribution to the Norfolk Island economy, while chapter 6 considers the governance arrangements that will best support KAVHA going forward. Chapter 7 examines the challenges facing Norfolk Island tourism more generally. Conclusions are drawn in chapter 8.

Released under the FOI Act 1982 by the Department of Infrastructure,
Transport, Regional Development, Communications, Sport and the Arts

1 The Norfolk Island economy

Understanding the contribution of KAVHA to the Norfolk Island economy first requires knowledge of the size of the Norfolk Island economy. However, as noted by numerous other studies on the Norfolk Island economy, assessing the size and performance of the economy is not a straightforward exercise due to the lack of formal economic statistics.³

Size of the Norfolk Island economy

Norfolk Island is a small, isolated island community of fewer than 1750 permanent residents. Most goods consumed on Norfolk Island are imported via Australia or New Zealand, while tourism related services are Norfolk Island's main area of economic activity and the only significant export.

Although there are no formal economic statistics compiled, there have been various attempts to estimate the size of the Norfolk Island economy, including several attempts by the Commonwealth Grants Commission (CGC). These estimates vary in the methodology used and time period to which they refer.

As can be seen from table 1.1, most estimates have Norfolk Island Gross Territory Product (GTP) in the \$80–90 million per year range.⁴ The main outliers are the CGC's (2006) estimate that had Norfolk Island GTP much lower at around \$62 million per year, and the estimate of \$68 million developed by the CIE (in 2006 and 2014).

On a per capita basis, these estimates broadly equate to between \$40 000–50 000 per person (or around \$32 000 per person based on the CGC's 2006 estimate).

1.1 Estimates of Norfolk Island nominal Gross Territory Product

Source	Year	Estimated GTP	Population	GTP per capita
		\$ million	No.	\$
CGC (1997)	1995-96	80.3	1 772	45 343
CIE (2006)	2004-05	68.4	1 985	34 461
CGC (2006)	2004-05	62.1	1 915	32 425

³ See, for example, CIE (2014), Economic Impact of Norfolk Island reform scenarios, report prepared for Department of Infrastructure and Regional Development, November 2014, page 6; and CGC (2006), Review of the Financial Capacity of Norfolk Island 2006 (staff paper supporting information), Attachment C.

⁴ GTP is a measure of the value of all of the goods and services produced in the economy and is analogous to the commonly used measures of economic activity of Gross State Product (GSP) for states and Gross Domestic Product (GDP) for the nation in aggregate.

Source	Year	Estimated GTP	Population	GTP per capita
		\$ million	No.	\$
CGC (2011) – production approach	2009-10	89.5	1 815	49 300
CGC (2011) – income approach	2009-10	82.0	1 815	45 169
ACIL Tasman (2012)	2010-11	87.9	1 795	48 969
CIE (2014)	2013-14	68.6	1 673	41 004

Note: The two CIE estimates of Norfolk Island's nominal GTP are very close at \$68.4 million (for year 2004-05) and \$68.6 million (year 2013-14). The 'closeness' of these totals is purely coincidental – the composition of the GTP estimates is different between the two time periods.

Source: Commonwealth Grants Commission (1997); Commonwealth Grants Commission (2006); CIE (2006), *Economic Impact Assessment of extending Commonwealth legislation to Norfolk Island*, prepared for the Department of Transport and Regional Services, October 2006; Commonwealth Grants Commission (2011); ACIL Tasman (2012), *Norfolk Island Economic Development Report: Reform of the Norfolk Island Economy*, report prepared for the Department of Regional Australia, Regional Development and Local Government, March 2012, p. 35; and CIE (2014), *Economic Impact of Norfolk Island reform scenarios*, report prepared for Department of Infrastructure and Regional Development, November 2014, page 7.

Norfolk Island's GTP in 2015-16

The economic model of Norfolk Island developed by the CIE in 2014 used, as a starting point, data for year 2013-14. More recent data was obtained from numerous stakeholders and the model updated to 2015-16.

The economic model can be used to provide an estimate of Norfolk Island's GTP from both the income and expenditure sides. As can be seen from table 1.2, Norfolk Island's GTP (at nominal market prices) was estimated to be \$66 million in 2015-16. With 1748 permanent residents, this equates to a GTP of \$37 781 per capita.

The per capita (nominal) GTP of \$37 781 on Norfolk Island compares with \$68 587 in the case of Australia in 2015-16.⁵

1.2 Norfolk Island GTP

GTP from expenditure side		GTP from income side	
	\$ million		\$ million
Component		Component	
Consumption	37.9	Compensation of labour	30.0
Investment	19.9	Gross operating surplus	25.8
Government	8.3	Tax on production	2.1
Exports – tourists	31.7	Taxes on consumption	6.9
– merchandise trade	1.3	Tariff duty	1.3
Imports	(-) 33.0		
Total	66.0	Total	66.0

Source: CIE.

⁵ Australian nominal GDP was \$1654.9 billion in 2015-16 (ABS 5206.0, Table 3), with population being 24.1 million as at June 2016 (ABS 3101.0, Table 4).

Indicators of recent performance

Given the different methodologies and data sources used to construct the GTP estimates reported in table 1.1, they are not necessarily comparable across time. However, the three CIE estimates of Norfolk Island's GTP — spanning years 2004-05, 2013-14 and 2015-16 — employed the same methodology and types/sources of data, and hence are comparable. These three estimates suggest that the Norfolk Island economy has contracted in nominal terms over the 2004-05 to 2015-16 period. As the prices of goods and services will have increased over that time, there is likely to have been a substantial decline in real economic activity.

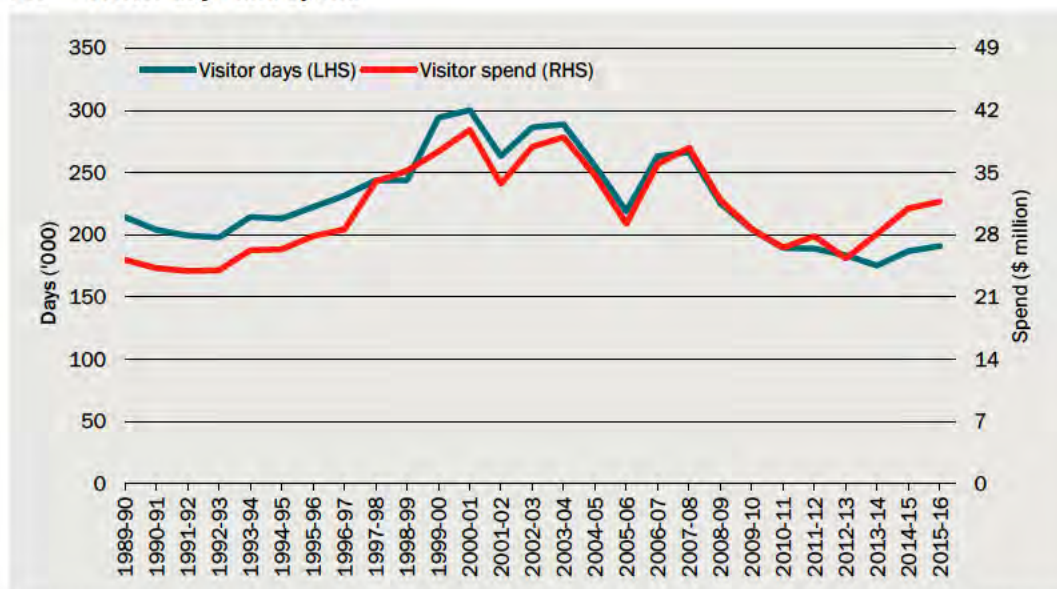
Most available indicators point to a marked and sustained deterioration in the performance of the Norfolk Island economy over recent years.

Visitor numbers

As is discussed further below, tourism is Norfolk Island's main area of economic activity and the only significant export. As such, the economy is heavily dependent on visitor numbers, the length of stay, and the on-island visitor spend.

As can be seen from chart 1.3, the number of days visitors spend on-island peaked at 300 000 in 2000-01, before falling back to a low of 175 200 in 2013-14. There has been a slight recovery from this low to 190 800 visitor days in 2015-16. It is estimated that the 26 602 visitors arriving by air and the 1920 visitors arriving by cruise ship in 2015-16 spent \$31.7 million whilst on-island.

1.3 Visitor days and spend



Note: The estimated visitor days and spend reflects a number of factors, all of which change over time/vary between years. The factors comprise the number of visitors coming to Norfolk Island (by air and by cruise ship), the length of time spent on island, and the spend per visitor type (air passenger in public accommodation, air passenger in private accommodation and cruise passenger) whilst on island. Data source: Norfolk Island Government Tourist Bureau, TRANSAM Argosy, stakeholder consultations, and CIE calculations.

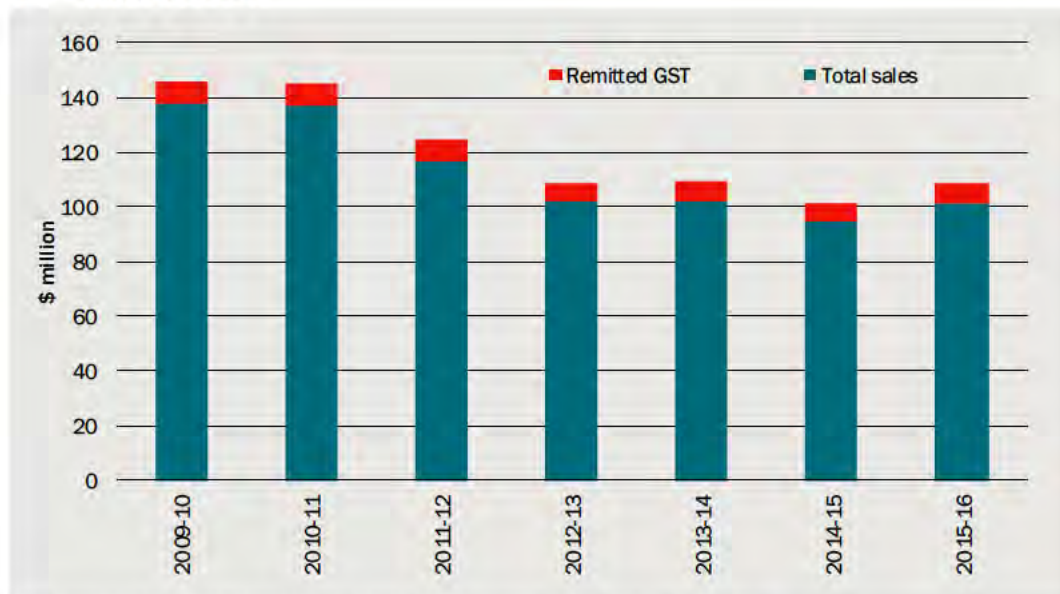
Norfolk Island GST receipts

Prior to 1 July 2016, Norfolk Island levied its own Goods and Services Tax (GST) on GST-liable sales to final consumers. Over 2009-10 to 2015-16 the GST rate was set at 12 per cent, with remitted GST receipts ranging between \$6.4 million (2014-15) and \$7.9 million (2009-10).

As part of the (former) GST collection arrangements, the Norfolk Island GST Office collected data that allows total sales within the Norfolk Island economy to be calculated. Total sales can provide an indicator on the level of economic activity and consumer confidence.

It can be seen from chart 1.4 that over the 2009-10 to 2015-16 period, the value of sales (excluding GST) has fallen by around 25 per cent, or an average of 5 per cent per year. Remitted GST receipts have fallen by 14 per cent.⁶ As prices are likely to have increased over this period, sales on Norfolk Island are likely to have fallen by even more in real terms.

1.4 Value of sales



Data source: Norfolk Island Administration, Norfolk Island Regional Council and CIE calculations.

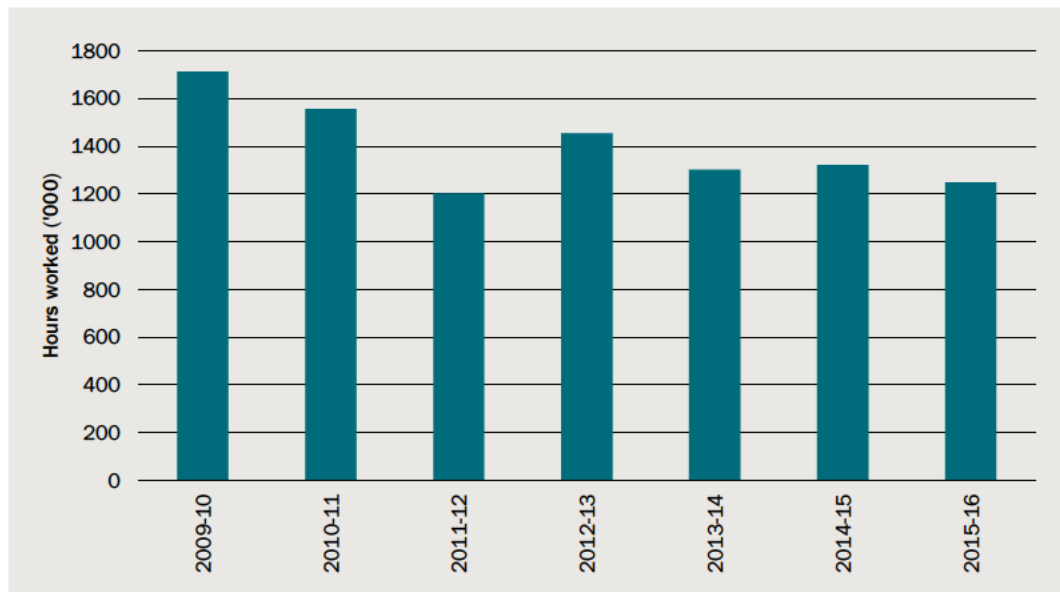
Hours worked

The Norfolk Island Workers Compensation Scheme sees a \$0.30 levy being applied to every hour worked. The total levy raised can therefore be used to calculate the number of hours worked within the Norfolk Island economy. The hours worked is one measure of the demand for labour, which in turn will reflect economic activity.

⁶ The decline in total sales (excluding GST) is larger than the decline in remitted GST receipts due to a large proportion of the \$36 million decline in total sales over the period being accounted for by a decline in GST exempt sales of \$21 million.

Workers Compensation receipts imply that the number of hours worked has been somewhat volatile over recent years, but is trending downwards. As can be seen from chart 1.5, between 2009-10 and 2015-16 hours worked are estimated to have fallen by 27 per cent, or around 5 per cent per year on average.

1.5 Hours worked



Note: Due to an accounting oversight, some of the Workers Compensation Scheme levy collected during 2011-12 was not accredited to the Workers Compensation Scheme Fund until 2012-13. Levy receipts will therefore be understated for 2011-12, and overstated for 2012-13. Hence, strictly speaking, some of the estimated hours worked in 2012-13 actually occurred in 2011-12. Also note that the Norfolk Island Workers Compensation Scheme levy does not apply to on-island Commonwealth employees.

Data source: Norfolk Island Administration, Norfolk Island Regional Council and CIE calculations.

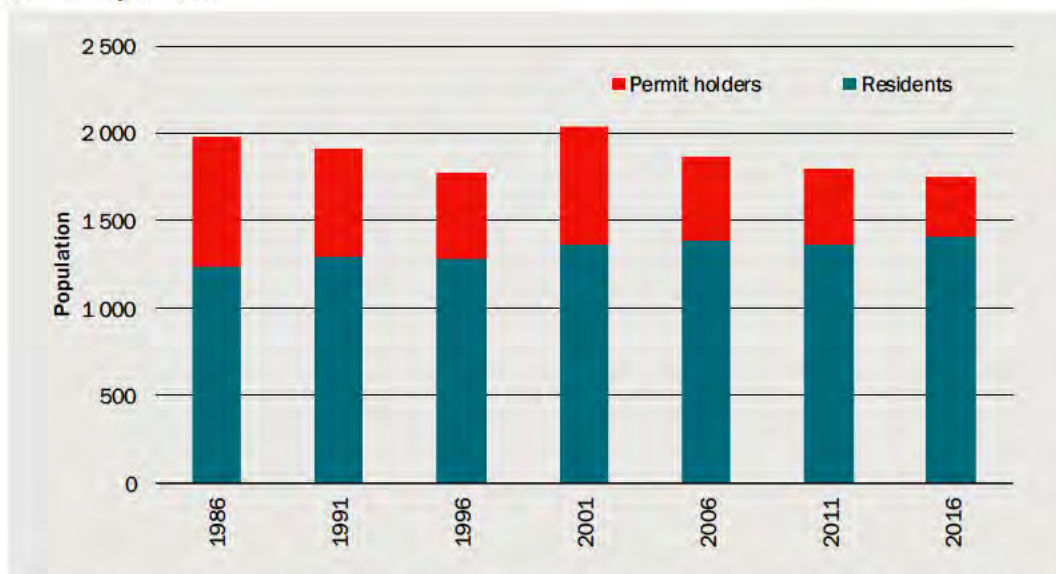
Population

To some extent changes in population will reflect economic conditions on Norfolk Island. With a limited welfare system, for many a lack of job opportunities will necessitate them leaving Norfolk Island in search of employment opportunities elsewhere.

From chart 1.6 it can be seen that after increasing between 1996 and 2001, the Norfolk Island population has declined steadily since 2001. As at September 2016, the population has fallen by around 290 people or 14 per cent since the 2001 Census. The decline has mainly been in the number of permit holders, rather than Norfolk Island residents. Indeed, the number of residents increased by 4 per cent between 2001 and 2016. In contrast, there were only half the number of permit holders living on Norfolk Island in 2016 than there were in 2001.

Without 'ties' to Norfolk Island, it is reasonable to expect declining employment opportunities to impact more heavily on the number of permit holders rather than the number of permanent residents.

1.6 Population



Note: 'Permit holders' include General Entry Permit, Temporary Entry Permit holders and Unrestricted Entry Permit, and dependents of those permit holders. Also note that the population figures for years 1986–2011 were obtained from the Norfolk Island Census. The 2016 population figure was obtained from the ABS 2016 Census, which includes both Norfolk Islanders at home and elsewhere in Australia on Census night (a total of 1748 people). It is not clear if the population figures taken from the Norfolk Island Census relate to only those at home on Census night, or total population. If it is the former, then the comparable population figure from the ABS 2016 Census is 1642 people, which would mean the Norfolk Island population (at home on Census night) has fallen by 19 per cent between 2001 and 2016.

Data source: Norfolk Island Government (various) Census, ABS 2016 Census, NIRC and CIE calculations.

Contribution of tourism to economic activity

As noted in chart 1.3, it is estimated that visitors to Norfolk Island in 2015-16 spent \$31.7 million in the local economy. This expenditure spanned a number of 'tourism' related sectors, including accommodation, retail trade, cafes and restaurants, and recreational services.

Table 1.7 reports the direct contribution of tourism to the Norfolk Island economy across a range of metrics. The available data suggests that tourism directly accounts for 29 per cent of on-island sales, 26 per cent of GTP, and 17 per cent of employment.

1.7 Contribution of tourism to the Norfolk Island economy

Sector of the economy	Sales		Contribution to GTP		Employment	
	To tourists	Total	By tourism	Total	From tourism	Total
	\$ million	\$ million	\$ million	\$ million	Number	Number
Trade	16.5	25.2	7.0	10.7	105	161
Accommodation	7.9	7.9	4.9	5.0	21	22
Cafes & rest.	2.9	4.5	2.0	3.2	59	92
Recreation	3.8	4.3	2.9	3.2	11	13
Other tourism	0.7	9.7	0.4	5.8	4	62

Sector of the economy	Sales		Contribution to GTP		Employment	
	To tourists	Total	By tourism	Total	From tourism	Total
	\$ million	\$ million	\$ million	\$ million	Number	Number
Subtotal tourism	31.7	51.7	17.2	27.8	201	350
Total all sectors	31.7	108.4	17.2	66.0	201	1195

Source: Norfolk Island Economic Model.

Tourist expenditure on the tourism related sectors will also provide an indirect contribution to the economy through economic linkages between the tourism sectors and other sectors of the economy. Table 1.8 gives an idea of the magnitude of these indirect linkages. From the table, it can be seen that a 1 per cent increase in tourism is estimated to see the tourism sectors directly contributing another \$0.3 million to island GTP, and through linkages with other sectors of the economy, indirectly contributing another \$0.4 million to island GTP. In total, a 1 per cent increase in tourism is estimated to see island GTP increasing by \$0.6 million and another 11 jobs being created.

1.8 Impact on the Norfolk Island economy of a 1 per cent increase in tourism^a

Sector of the economy	Impact on GTP			Impact on employment		
	Direct	Indirect	Total	Direct	Indirect	Total
	\$ million	\$ million	\$ million	Number	Number	Number
Trade	0.1	0.2	0.3	1	4	5
Accommodation	0.1	0.1	0.2	0	3	3
Cafes & rest.	0.0	0.0	0.1	1	1	2
Recreation	0.0	0.0	0.1	0	1	1
Other tourism	0.0	0.0	0.0	0	0	0
Total tourism	0.3	0.4	0.6	2	9	11

^a Note that numbers may not add due to rounding.

Source: Norfolk Island Economic Model.

2 *Importance of KAVHA to the Norfolk Island economy*

KAVHA is one of the major tourism attractions on Norfolk Island. The economic contribution of KAVHA to the Norfolk Island economy is comprised of both:

- spending within KAVHA itself, and
- spending in tourism sectors that is induced by/attribution to KAVHA.

The importance of KAVHA to the Norfolk Island economy is measured using the amount of spending that would not have occurred if the site did not exist. That is, the proportion of tourism spending on Norfolk Island attributable to KAVHA depends on the proportion of spending that occurs because KAVHA exists.

In addition to its economic contribution, KAVHA is a living and working site with an important role in the life, identity and culture of Norfolk Island. Locations such as Kingston Pier, Emily Bay, All Saints Church, the cemetery and the golf course are places for recreation, worship, work and the communal life of locals. While this analysis focusses on the economic contribution of KAVHA, the cultural, historical and spiritual significance of the site cannot be understated.

Norfolk Island and KAVHA

KAVHA is a World Heritage Site on Norfolk Island spanning approximately 225 hectares. The KAVHA Heritage Management Plan defines four settlement periods on Norfolk Island, which are the:

- Polynesian Settlement between c1150–c1450 AD
- First (Colonial) Settlement between 1788–1814
- Second (Penal) Settlement between 1825–1855
- Third (Pitcairn) Settlement between 1856–present.⁷

KAVHA exhibits historical evidence of all four settlement periods. This is primarily through the remaining convict buildings and ruins and their contemporary uses by current inhabitants.

The KAVHA site also houses the Norfolk Island Museum, which has historical collections covering all settlement periods exhibited within a number of buildings. There are 3 museum collections housed in 4 buildings (the Pier Store, the Commissariat Store,

⁷ Context, Jean Rice Architect and GML Heritage, 2016, *Kingston and Arthur's Vale Historic Area: Heritage Management Plan*, available at http://regional.gov.au/territories/norfolk_island/KAVHA-Heritage-Management-Plan.aspx

No. 10 Quality Row, and the Sirius Museum). The KAVHA Collection and Sirius Collection are owned by the Australian Commonwealth. The remaining collection is owned by the Norfolk Island Museum Trust (on behalf of the Norfolk Island community) and comprises of artefacts from HMAS Bounty, Pitcairn Island and Norfolk Island (post 1856). The Norfolk Island Museum Trust Collection is primarily on display at the Pier Store Museum and No. 10 Quality Row.

Figure 2.1 provides an aerial photograph of the KAVHA site, and it shows the main landforms of the area. KAVHA is bordered to the south by Slaughter Bay and Emily Bay, which are important areas for community life and recreation. The Kingston Pier is used by fishers and for lighterage, whereby cargo is transferred from ships by means of a lighter and then brought onshore. A row of convict buildings is visible on the map along the road 'Quality Row'. These buildings have various uses such as being residences for Commonwealth Public Service staff, offices of the Norfolk Island Regional Council (NIRC), or other uses.

2.1 Aerial photograph of KAVHA



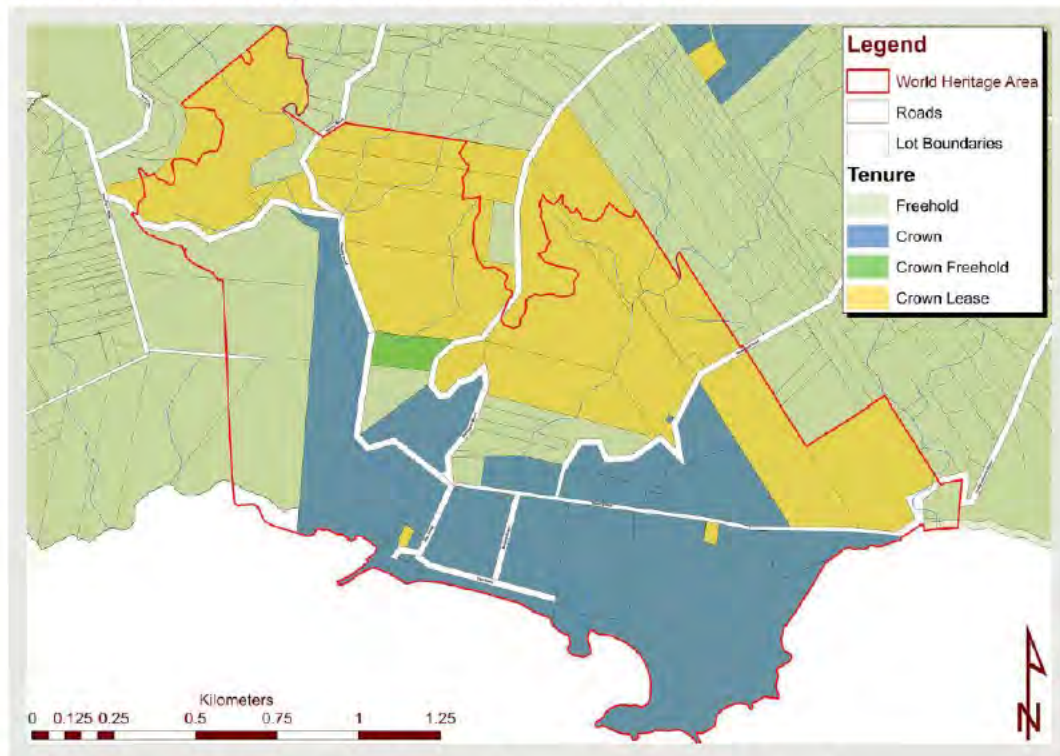
Source: Department of Infrastructure and Regional Development.

Figure 2.2 shows a map of the KAVHA boundaries, including whether each property is freehold or Crown land. There are:

- 17 properties with freehold tenure
- 15 Commonwealth Crown land properties leased to residents
- 26 Commonwealth Crown land properties either
 - declared to be public reserves, or
 - vacant and not leased or licenced.

The majority of the areas with significant convict buildings or ruins are in the lower plain of Kingston within Crown land. Additionally, all the Norfolk Island museum buildings are located on Crown land, with the exception of the museum area within All Saints Church that is freehold land owned by the Church of England.

2.2 Freehold and Crown land boundaries within KAVHA



Data source: Kingston and Arthur's Vale Historic Area: Heritage Management Plan (2016) p.7, available at: http://regional.gov.au/territories/norfolk_island/KAVHA-Heritage-Management-Plan.aspx.

Economic value of spending at KAVHA

A component of KAVHA's economic contribution to Norfolk Island is spending that occurs at the site. There are two components to spending that occurs on-site:

- 1 spending at Norfolk Island Museum by visitors and by the museum itself

- 2 spending by Norfolk Island Regional Council and the Commonwealth Government on preservation and conservation, such as expenditure associated with the works crew.

The Norfolk Island Museum received \$259 000 in revenue in 2015-16, which includes tickets for entry to the Museum buildings, merchandise, refreshments and tickets to the Cemetery tour. A total of 1758 tickets were sold for entry to a single museum (costing \$10 each) and 5977 Museum Passes were sold (at \$25 each) allowing entry into all Museums. In 2015-16 there were 7973 people who bought either single tickets (1996) or Museum Passes (5977) to enter a Norfolk Island Museum(s). This suggests that 28 per cent of the 28 552 visitors to Norfolk Island in 2015-16 paid to enter a Norfolk Island Museum.

The Norfolk Island Museum had approximately \$307 000 in expenditures in 2015-16, which includes employee costs, materials, contracts and other expenses. Hence museum cost recovery is running at over 84 per cent.

In 2015-16 there was \$933 000 spent on-site associated with the works crew and conservation of KAVHA.⁸ In addition to this spending, capital expenditure of \$247 000 was undertaken in this year.⁹ This implies a total expenditure onsite of \$1.2 million associated with the works crew, conservation and capital expenditure. The Commonwealth and NIRC budgets for KAVHA preservation and conservation are discussed further in chapter 3.

Thus, the total amount of on-site expenditure associated with KAVHA was \$1.49 million in 2015-16.

Economic value of tourism induced by KAVHA

Only a proportion of tourism expenditure on Norfolk Island is attributable to KAVHA. The economic value of KAVHA arising from tourism can be estimated by two main approaches.¹⁰

⁸ The total annual spend of \$933 000 includes \$633 000 spent by the Department of Infrastructure and Regional Development (Commonwealth of Australia, 2016, *Budget 2016-17: Portfolio Budget Statements 2016-17, Budget related paper No. 1.13 – Infrastructure and Regional Development Portfolio*, p.59, available at https://infrastructure.gov.au/departments/statements/2016_2017/budget/files/2016-17_PBS.pdf) and \$300 000 spent by the Norfolk Island Administration (see chapter 3).

⁹ Capital expenditure for 2015-16 is based on the KAVHA Administered Capital Budget for 2015-16 supplied by the Department of Infrastructure and Regional Development.

¹⁰ See Sustainable Tourism Cooperative Research Centre (2010) for analysis of the potential approaches to estimating the economic value of tourism to natural environments: Sustainable Tourism Cooperative Research Centre, 2010, *The economic value of tourism to national parks and protected areas in Australia: technical report*, available at <http://sustain.pata.org/wp-content/uploads/2015/02/100047-Tech-Report-Econ-Value-Tourism-to-National-Parks-WEB.pdf>

Consumer surplus approach

Firstly, consumer surplus is a measure of economic welfare associated with a product. Consumer surplus is the benefit gained by consumers above the price paid for the product. In order to determine consumer surplus, it is necessary to estimate consumers' willingness to pay for the product. However, there is no price to enter KAVHA, meaning it is not possible to directly observe visitors' willingness to pay to visit the site.

An alternative approach to estimate willingness to pay is to use travel costs as a proxy. This approach is referred to as the Travel Cost Method (TCM). This approach assumes that the value of a site is reflected in how much people are willing to pay to travel there. This approach has been applied to the economic valuation of national parks, where these parks may be free to access yet have significant travel costs to access.¹¹ KAVHA's unique accessibility means that the TCM is not suitable. There are negligible travel costs to access KAVHA once already at Norfolk Island. Additionally, the travel costs to access KAVHA including the cost of accessing Norfolk Island are very high, and will represent the willingness to pay of consumers to visit Norfolk Island, rather than their willingness to pay to visit KAVHA. The TCM provides no method to determine the proportion of travel costs to Norfolk Island that would be attributable as willingness to pay to visit KAVHA specifically.

Since consumer surplus measures economic welfare, it is the appropriate measure that should be used in cost-benefit analysis and evaluation of policy proposals.¹²

Attribution approach

The second approach involves estimating the proportion of tourism spending that is attributable to the site, and interpreting this spending in terms of its significance to the economy.

Sustainable Tourism Cooperative Research Centre (2010) states that there has been a recent trend towards a narrow measure of attribution based on the tourists who would not have spent money in the tourism destination if the opportunity to visit a tourist site was not available.¹³

¹¹ For an example of an economic evaluation of a natural resource using the travel cost method, see Limaeri, S.M., Ghestmati, H., Rashidi, R. and Yamini, N., 2014, 'Economic evaluation of natural forest park using the travel cost method (case study; Masouleh forest park, north of Iran)', *Journal of Forest Science*, 60(6), pp.254-261, available at: <http://www.agriculturejournals.cz/publicFiles/125766.pdf>

¹² Sustainable Tourism Cooperative Research Centre (2010), *The economic value of tourism to national parks and protected areas in Australia: technical report*, available at: <http://sustain.pata.org/wp-content/uploads/2015/02/100047-Tech-Report-Econ-Value-Tourism-to-National-Parks-WEB.pdf>

¹³ Sustainable Tourism Cooperative Research Centre (2010), *The economic value of tourism to national parks and protected areas in Australia: technical report*, available at: <http://sustain.pata.org/wp-content/uploads/2015/02/100047-Tech-Report-Econ-Value-Tourism-to-National-Parks-WEB.pdf>

City of Perth (2008) estimated the amount of direct tourism expenditure that is attributable to heritage tourism in Perth.¹⁴ Likewise, Tourism Research Services (2015)¹⁵ estimated the amount of direct tourist expenditure directly attributable to heritage sites in Adelaide. These studies obtain upper and lower bound estimates of the proportion of tourism expenditure attributable to a site based on measures of visitation to the site relative to visitation to the region/city as a whole. These measures are calculated as follows:

- upper bound: how many people who visited the region (Norfolk Island) went to the site (KAVHA)
- lower bound: how many people would not have visited Norfolk Island if KAVHA did not exist?

The 'lower bound' approach is considered to produce the most appropriate estimate of the importance of KAVHA to the Norfolk Island economy. Almost everyone who goes to Norfolk Island visits KAVHA at some point of their trip, and thus the upper bound approach would find that almost all tourism expenditure on Norfolk Island is attributable to KAVHA. This finding does not align to the consistent view expressed in stakeholder consultations that KAVHA is only one part of the overall tourism package of Norfolk Island.

Therefore, the approach to determining the economic value of tourism induced by KAVHA is to estimate the proportion of visitors who would not have visited Norfolk Island if KAVHA did not exist.

A potential extension of this approach is suggested by the Sustainable Tourism Cooperative Research Centre (2010)¹⁶. They suggest exploring the possibility of accounting for the impact of the site extending the average length of stay at the destination. That is, accounting for the fact that KAVHA may both induce visitors to come to Norfolk Island as well as increase the average length of stay of those who would have to come to Norfolk Island even if KAVHA did not exist. Norfolk Island's pattern of infrequent flights likely means that average length of stay on Norfolk Island is generally unrelated to KAVHA. Furthermore, any effect of KAVHA on length of stay are likely to be small and are difficult to estimate accurately. Thus, it is assumed that KAVHA does not induce tourism spending through extending the length of stay of visitors to Norfolk Island.

¹⁴ City of Perth, 2008, *Economic Value of Heritage Tourism in the City of Perth, WA*, available at <https://www.perth.wa.gov.au/sites/default/files/documents/Heritage-Economic-Value.pdf>

¹⁵ Tourism Research Services, 2015, *Economic Value of Heritage Tourism – Adelaide 2015*, available at: http://www.cityofadelaide.com.au/assets/documents/Economic_Value_of_Heritage_Tourism_-_Adelaide_2015_v4.pdf

¹⁶ Sustainable Tourism Cooperative Research Centre (2010, *The economic value of tourism to national parks and protected areas in Australia: technical report*, available at <http://sustain.pata.org/wp-content/uploads/2015/02/100047-Tech-Report-Econ-Value-Tourism-to-National-Parks-WEB.pdf>

Data and information used to determine attribution of tourism spending to KAVHA

A number of data sources were considered as there is no single data source that both has a large sample size and directly addresses the question of what proportion of visitors would not have come to Norfolk Island if KAVHA did not exist. While some data sources address related questions, for example, what proportion of visitors came to Norfolk Island for the main purpose of learning about history or their ancestors, they do not allow attribution to be determined.

There are three data/information sources available that can give an indication of the proportion of tourism spending attributable to KAVHA. These are the:

- Norfolk Island Government Tourist Bureau (NIGTB) Visitor Survey
- CIE Attribution Survey
- at stakeholder consultations conducted by CIE, tourism industry participants, Norfolk Island Museum staff and others were asked about the importance of KAVHA to Norfolk Island tourism and visitor preferences.

Norfolk Island Visitor Survey

The Norfolk Island Visitor Survey conducted by the NIGTB is the main data source available indicating the preferences, experiences and characteristics of visitors. However, it does not ask respondents precisely whether they would have come to Norfolk Island if KAVHA did not exist.

Rather, two other relevant statistics were obtained from this survey that give an indication of KAVHA's importance to the wider tourism offering:

- 6 per cent of people stated the main purpose of their visit to Norfolk Island was to learn about history/ancestors, and
- 14 per cent of people stated their favourite thing about Norfolk Island was KAVHA.

These statistics both suggest that only a small proportion of visitors to Norfolk Island is likely to be attributable to KAVHA. A greater degree of precision than that provided by the Visitor Survey data is required to determine the proportion of spending that would have not occurred but for the existence of KAVHA.

CIE Attribution survey

On behalf of the CIE, the NIGTB conducted a survey of visitors to Norfolk Island to precisely determine the attribution of the economic value of Norfolk Island tourism to KAVHA. Three questions were asked in a survey, which was completed by 60 visitors to the NIGTB. The survey design is shown in box 2.3 below.

2.3 CIE Attribution Survey conducted by NIGTB

The Kingston and Arthur's Vale Historic Area is a World Heritage Site covering 225 hectares at the southern side of Norfolk Island. It includes the convict ruins, Quality Row houses and Norfolk Island museums on the site.

- 1 If the Kingston and Arthur's Vale Heritage Historic Area (KAVHA) and related museums did not exist, would you have chosen to: *(single answer)*
 - Stay at home
 - Travel to Norfolk Island anyway
 - Travel elsewhere in Australia
 - Travel to another country
- 2 Which of the following Norfolk Island activities have you done? *(multiple choice)*
 - Go shopping for pleasure
 - Go to KAVHA
 - Go to Norfolk Island Museums at KAVHA
 - Go to the Botanic Gardens
 - Go to Norfolk Island National Park
- 3 What is your **main reason** for visiting Norfolk Island? *(single answer)*
 - Business
 - Shopping for pleasure
 - Visiting KAVHA
 - Visit natural attractions (such as National Parks)
 - Visiting friends and relatives
 - Other (please specify): _____

A few aspects of survey design may be expected to influence the results of the survey. These are described below.

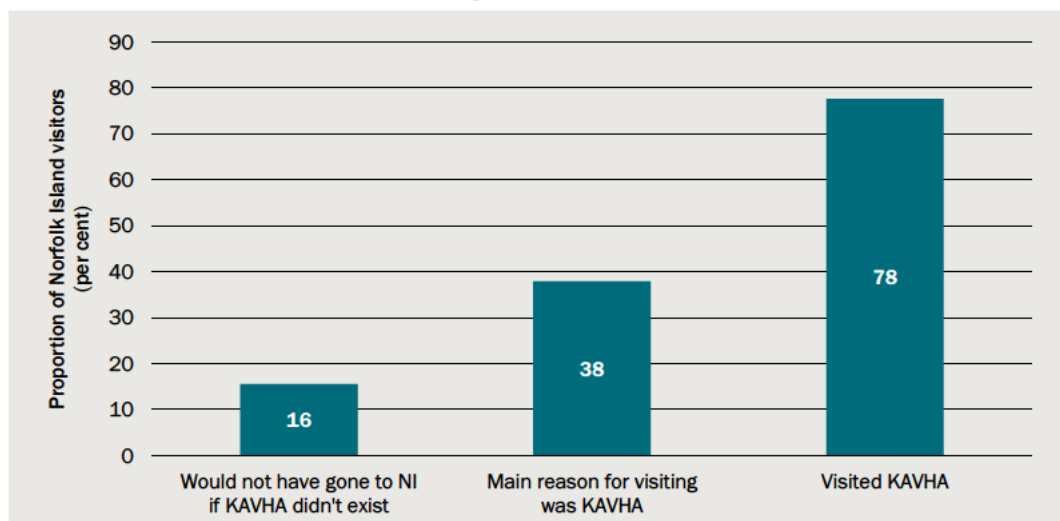
- The survey was conducted at the NIGTB, which showcases a variety of promotional materials related to KAVHA. This may have positively influenced the proportion of respondents who indicated that KAVHA was important, or their main reason for visiting Norfolk Island.
- The survey did not explain that KAVHA includes the pier, the golf course, and other parts of the site that are unrelated to convict history. This may have negatively influenced the proportion of people who indicated they visited or placed high importance on the site, because some people who only visited (for example) the golf course may not have been aware that this was part of KAVHA.
- The sample size of the survey is small (60 people) which lessens the accuracy of inferences about the views of all visitors. Additionally, the survey was conducted during winter (June and July), and visitors to KAVHA may be more or less common during these months of the year.

Overall, these issues related to survey design and implementation are sufficiently minor that inferences based on the survey are still believed to be robust.

Chart 2.4 presents the results of the CIE Attribution Survey. It shows that 16 per cent of respondents indicated they would not have gone to Norfolk Island if KAVHA did not exist. If 78 per cent of visitors to Norfolk Island visit KAVHA, this suggests that 22 247 people visited KAVHA in 2015-16. Another relevant finding was that for 38 per cent of visitors to Norfolk Island, their main reason for visiting was KAVHA.

While 78 per cent of respondents indicated that they visited KAVHA, stakeholder consultations indicated that a greater proportion (between 90–95 per cent) of visitors to Norfolk Island go to KAVHA at some point during the visit. If 95 per cent of visitors to Norfolk Island visit KAVHA this suggests that 27 096 people would have visited KAVHA in 2015–16. This discrepancy is likely due to respondents not being aware that areas such as the golf course and the pier are part of KAVHA. Additionally, some respondents may not have left a tour bus while they passed through KAVHA, and thus may not have indicated that they had visited KAVHA on that basis.

2.4 Results of CIE Attribution Survey



Data source: CIE survey of NI visitors conducted by NIGTB and CIE calculations.

Given the small sample size of the CIE Attribution Survey and lack of other robust estimates of attribution, it is considered that 11 and 21 per cent are plausible lower and upper bounds for the proportion of tourism spending attributable to KAVHA.

Stakeholder consultations

Market insights to date suggest that the key motivation for (tourist) visitation to Norfolk Island is a *combination* of interest in the history (Pitcairn and convict-related), the attractive scenery, and/or general curiosity. The promotion of other niche experiences to target markets and special travel deals supplement destination appeal. It is this holistic proposition that drives tourism to the island, rather than any one attraction in isolation.

In terms of tourism demand being attributed in part to history, KAVHA offers some, but not all, of the island's history/cultural heritage experiences. Demonstrating this is Trip Adviser's user-generated list of 56 'things to do on Norfolk Island'. Of the 20 history-specific attractions featured on this list, 12 are located at KAVHA. Further insight to

KAVHA's relative appeal can be seen in the top 15 visitor attractions for the island overall (based on visitor scores), as only six are located on the site.¹⁷ Other market research indicates that many Norfolk Island tourists are not aware of the KAVHA site by name, nor of its World Heritage status, before they arrive. Therefore, while the image of KAVHA's iconic convict ruins could be said to *represent* the history that draws people to Norfolk Island, determining the site's contribution to tourism demand for Norfolk Island (as measured by arrivals) is difficult.

Consultation with stakeholders including tourism industry members suggested that the proportion of tourism expenditure attributable to KAVHA is low. It is expected that only a very small proportion of visitors (5–10 per cent) would not come to Norfolk Island if KAVHA did not exist. Other consultations indicated that the market for convict heritage tourism is very small.

For the purpose of this report, the attribution results taken from the survey are used, even though anecdotal insights suggest the survey result might be higher than stakeholders' 'gut' feeling.

Estimate of indirect tourism expenditure attributable to KAVHA

From the results of the CIE Attribution Survey it is inferred that 16 per cent of visitors to Norfolk Island would not have visited if KAVHA did not exist. From table 2.5 it can be seen that applying an estimated attribution factor of 16 per cent to the estimated on-island tourism spending of \$31.7 million in 2015–16 suggests that tourism spending of approximately \$5.1 million was attributable to KAVHA, or between \$3.5–6.7 million using lower and upper bounds of 11 and 21 per cent respectively. KAVHA's contribution to GTP in 2015–16 is estimated at between \$4–8 million.

2.5 KAVHA's contribution to the Norfolk Island economy in 2015-16

	Exports (sales to tourists)	Gross Territory Product		Total
		Direct	Indirect	
	\$ million	\$ million	\$ million	\$ million
Lower bound (11%)	3.5	1.9	2.5	4.4
Survey result (16%)	5.1	2.8	3.6	6.3
Upper bound (21%)	6.7	3.7	4.7	8.3

Source: Table 1.7, table 1.8, visitor survey undertaken by Norfolk Island Government Tourist Bureau, and CIE calculations.

¹⁷ TripAdvisor's list of top attractions for Norfolk Island is available at https://www.tripadvisor.com.au/Attractions-g295119-Activities-Norfolk_Island.html#ATTRACTION_SORT_WRAPPER, accessed 27 July 2017.

3 *Conserving KAVHA*

Having KAVHA and the other Australian Convict Sites on the World Heritage List brings about certain obligations on the Australian Government.

Australia's obligation to maintain KAVHA

World, National and Commonwealth Heritage values of KAVHA are protected under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) Act. In Schedule 5 to the EPBC Regulations the World, National and Commonwealth Heritage Management Principles set out the obligations involved in managing World Heritage List sites. The Australian Government has an obligation to identify, protect, conserve, present, and transmit to future generations the World Heritage values of the site. Importantly, this extends to the interpretation that is required as part of 'presenting' the World Heritage values.

The Online Framework Guide to Best Practice World Heritage Management states that while the Australian Government has an international obligation to protect and conserve World Heritage properties, there is no impediment to existing land uses unless they threaten any of the outstanding universal values of the property.¹⁸ In the case of KAVHA, the World Heritage values of the site may in fact be enhanced by maintaining the 225 hectare KAVHA site as a 'working' area, with continued use of the area by the Norfolk Island community.

However, there are some important caveats to this statement. For example, the current arrangement for open vehicle access to KAVHA is putting some yet-to-be unearthed, but known archaeological sites, at risk. Cars and buses are regularly driving and parking directly on top of buried ruins of Polynesian, convict and Pitcairn heritage significance. People using vehicles within the site are unknowingly negatively impacting on the heritage assets of the site. Similarly, the current arrangements for cows accessing the site has value that cannot be underestimated — they provide a scenic image appreciated by tourists, they represent the site's living and working heritage, and they help maintain the lawn. However, the risks this arrangement reportedly poses to buried or unearthed ruins cannot be overlooked, nor can the reported impact of the cows on the water quality at Kingston Pier and Emily Bay (due to runoff). In view of Australia's obligation to maintain KAVHA, these risks warrant further investigation.

There is no objective standard dictating how the site has to be managed, nor the standard at which buildings and the historic landscape are to be maintained.

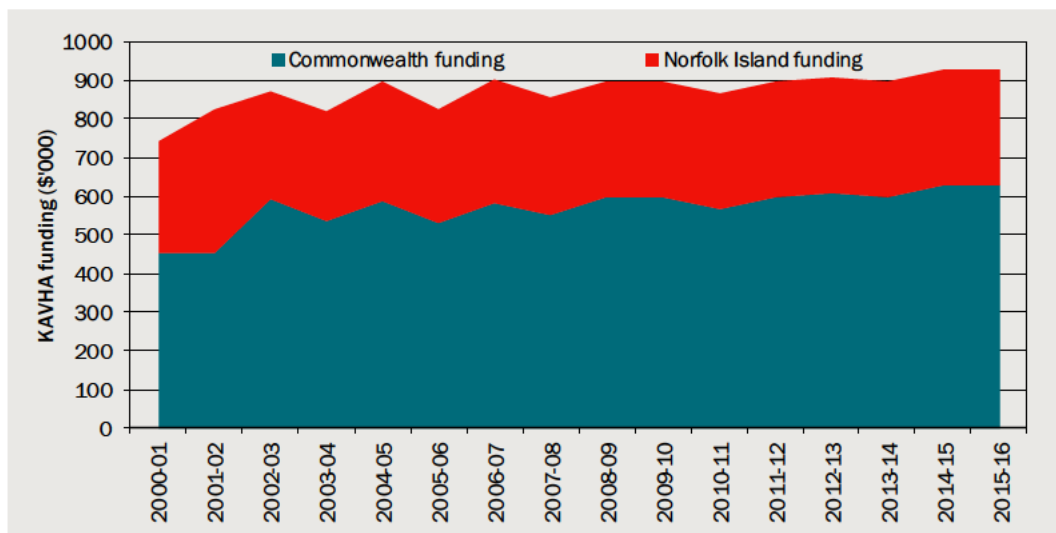
¹⁸ Available at <http://www.environment.gov.au/heritage/about/world/management-australias-world-heritage-listed/managing-world-heritage-australia>, accessed 27 June 2017.

KAVHA's funding

Prior to 1 July 2016, KAVHA was funded through contributions from both the Australian Government and the Norfolk Island Administration (NIA). While there was some variation between years, the previous funding arrangement saw annual contributions of approximately \$600 000 from the Australian Government and \$300 000 from the NIA over the 2000-01 to 2015-16 period. The combined funding covered all aspects of KAVHA operations including maintenance, the KAVHA Board and Secretariat, insurances, museum/research centre costs and the Commonwealth Heritage Manager. Some of the funding from the NIA was in-kind (for activities such as cleaning of the barbecues and lawnmowing).

The timeline of nominal KAVHA funding is shown in chart 3.1. This does not include funding for capital spending, for which data is not available for all years since 2000-01.

3.1 Timeline to 2015–16 of nominal KAVHA funding for operational expenditure



Data source: DIRD, NIRC and NIA Annual Reports, Attorney-General's Governance Review (2009), CIE.

From 1 July 2016, the Australian Government assumed responsibility for funding and delivering national and state level services to Norfolk Island, and the Norfolk Island Administration transitioning to an elected Norfolk Island Regional Council. With the creation of the NIRC in July 2016, the Australian Government entered into a Service Delivery Agreement (SDA) with the NIRC to maintain the KAVHA site. Under the SDA, the NIRC receives payment from the Australian Government of around \$440 000 to undertake KAVHA:

- landscape and garden maintenance
- asset maintenance
- interpretation and public programs.¹⁹

¹⁹ See 2016–2019 Service Delivery Agreement between the Department of Infrastructure and Regional Development and the Norfolk Island Regional Council, page 26.

The Australian Government also funds an (on-island) Commonwealth Heritage Manager, site insurances and a 5 member KAVHA Advisory Committee, bringing the total Commonwealth KAVHA Administered funding to some \$630 000 in 2016-17. The KAVHA Secretariat is separately funded from DIRD Departmental funds. Under the new funding arrangement, the NIRC does not make a financial contribution to KAVHA but continues to meet museum/research centre funding shortfalls and provide some in-kind services.

The new funding arrangements have seen the amount of 'on the ground' funding going to KAVHA for building conservation, interpretation and maintenance activities being reduced to \$440 000 (plus in-kind services) in 2016-17 (and onwards).

In addition to funding for operational expenditure, the Commonwealth Government also funds capital expenditure at KAVHA. In 2015-16 actual capital expenditure at KAVHA was \$247 000, which increased slightly to \$253 000 in 2016-17. A significant increase in capital funding to \$848 000 is planned for 2017-18.

Estimated funding requirement going forward

Going forward, there is clearly a question as to whether the current (2016-17 and beyond) funding levels are sufficient to meet the preservation and interpretation needs of the World Heritage KAVHA site.

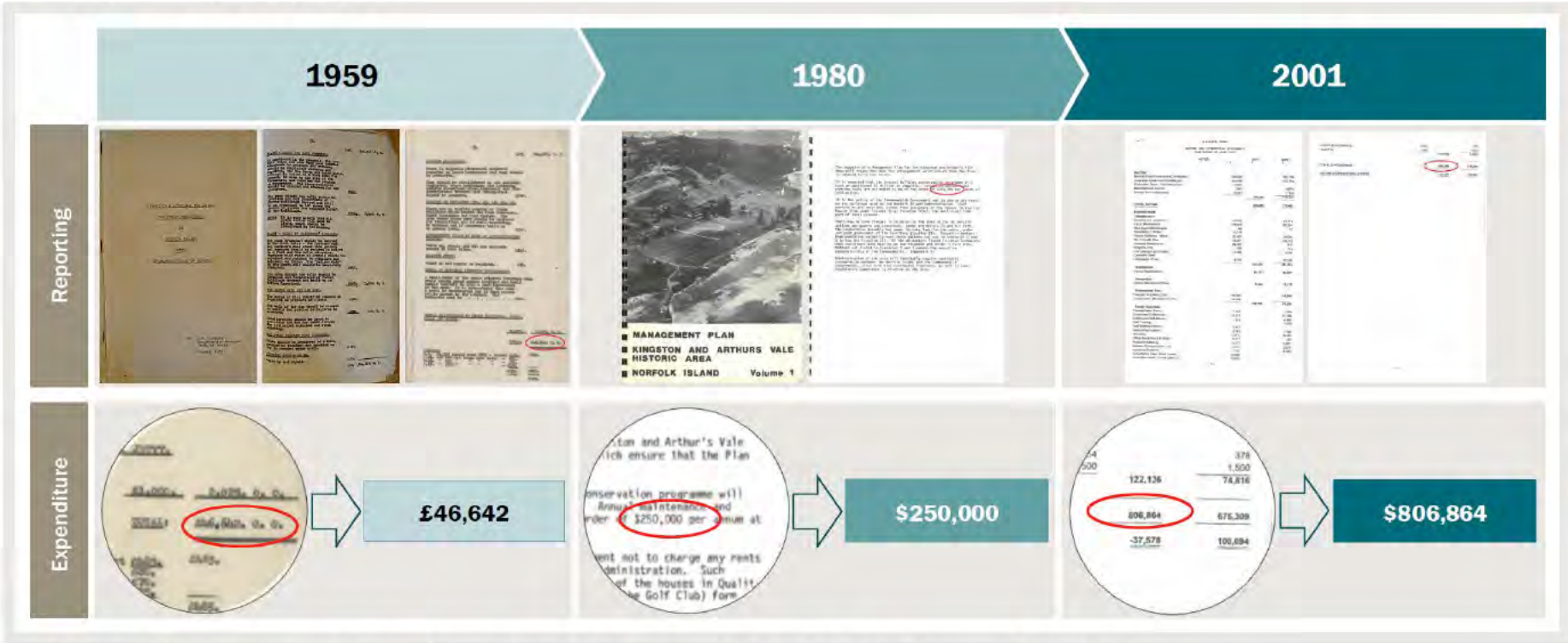
While we do not believe a funding 'wish list' has been prepared by the Commonwealth Heritage Manager at KAVHA and/or the KAVHA Advisory Committee, it would appear that KAVHA has been substantially underfunded. For example, chart 3.2 shows snapshots from KAVHA maintenance budgets prepared in years 1959, 1980 and 2001. When expressed in 2017 terms, these earlier budgets are around the \$1.2-1.4 million-dollar mark.²⁰ Comparing a figure of \$1.2-\$1.4 million to recent funding levels of around \$0.9 million, or \$0.4 million in 2016-17, gives an indication of the scale of underfunding (assuming the earlier budgets were appropriate to start with).

Furthermore, underfunding over the past decade and the recent cutback in KAVHA's operational funding is having an impact on the site's conservation, which is considered poor. Similarly, interpretation is very minimal, and not at the standard seen at comparable heritage sites. Budgetary shortfalls have seen KAVHA moving from a cyclic maintenance program to an 'as needed' program, under which only the most pressing maintenance needs are addressed. Heritage experts consulted during the course of this study have suggested that an as needed approach to maintenance is simply not appropriate, and indeed, unheard of when talking about conserving historic sites. By way of contrast, the Port Arthur Historic Site uses a 5-year cyclic maintenance program.

At best, (expert) stakeholders suggest that under the current approach to maintenance (and conservation), KAVHA is barely treading water.

²⁰ Historical costs can be expressed in current day terms using a number of inflators, such as wage growth, GDP growth, changes in producer prices and so on. For simplicity, the historical maintenance budgets reported in chart 3.2 have been increased in line with inflation (as measured by the Consumer Price Index).

3.2 KAVHA maintenance budgets



Source: Data source: Extracts from various KAVHA Management Plans and Expenditure Statements (provided by Brian Prince, KAVHA's Commonwealth Heritage Manager.)

It is interesting to note that in the 2001 KAVHA Income and Expenditure Statement, expenditure on cyclic maintenance (\$228 404) accounted for 50 per cent of total maintenance expenditure (\$454 526), and 28 per cent of total KAVHA expenditure (\$806 864).

It should also be noted that the current SDA with the NIRC stipulates that:

...in accordance with directions issued by the Commonwealth Heritage Manager, carry out a program of cyclical and responsive maintenance to Commonwealth owned heritage buildings and structures...(Service Delivery Agreement between the Commonwealth of Australia and the Administration of Norfolk Island, 24 June 2016, page 4)

The current level of funding does not appear sufficient to allow the cyclical maintenance part of the SDA to be undertaken.

The final point to make with respect to the as needed approach to maintenance concerns costs. A needs assessment of historic buildings and landscaping was undertaken by a heritage architect. This saw all maintenance needs across the KAVHA site being prioritised on a scale of 1 to 4, with a 4 being the highest priority. The funding made available under the current SDA with the NIRC only allows Priority 4 maintenance needs to be undertaken. In the short term, addressing only the Priority 4 needs will clearly constrain (maintenance) expenditure at KAVHA. However, it is not immediately clear that the as needed approach will minimise maintenance costs over the longer term.

Given the proximity of KAVHA to the ocean and sometimes harsh climate, it is reasonable to expect that less pressing maintenance needs will escalate to a Priority 4 level. It is also reasonable to expect the cost associated with addressing a Priority 4 issue will be higher than addressing the issue when it was of a Priority 1–3 level. For example, repainting an external window architrave (Priority 1) would be lower cost than replacing that architrave and repairing any damage caused by water ingress (Priority 4). Hence by addressing only the most urgent needs today, there is the very real prospect that maintenance cost will be higher tomorrow.

KAVHA museums

It is the KAVHA buildings and landscape that are on the World Heritage List; moveable objects, such as museum collections, are not on the World Heritage List nor covered/protected by the relevant Acts. Therefore, and strictly speaking, the case could be made that the museums and their collections do not (or should not) form part of KAVHA's future funding requirements.

However, whether or not the museums form part of KAVHA's future funding requirements is open to debate. For example, Australia has an obligation to protect and present the World Heritage value of the KAVHA site. And as strongly argued by the Port Arthur Historic Site Management Authority, museum collections contribute significantly to the interpretation of a site, which in turn allows the World Heritage values to be presented. In the case of the Port Arthur Historic Site, over the last 15 years the Tasmanian Government has contributed significant funding for museum collection management and conservation.

Furthermore, signatories to the World Heritage Convention, of which Australia is, agree to protect heritage values, which extends to museum collections.

Finally, tourists are likely to view the World Heritage KAVHA site and museum collections as part of the 'one experience'.

Given the above points, including the cost of museum collection management and conservation in KAVHA's future funding requirements would seem appropriate.

A complexity to this arrangement arises in that not all of the KAVHA museum collections are owned by the Commonwealth. The Norfolk Island Museum Trust owns the Norfolk Island Museum Trust collection, which displays items from the Third (Pitcairn) Settlement of people on Norfolk Island. A question then arises as to how should the Norfolk Island Museum Trust collection be accommodated/treated. This is an especially important question given the various reports documenting the (current) unsuitability of the Pier Store to house a museum collection; and the likely substantial cost associated with ensuring collection conservation.

Some potential options to address the museum collection ownership issue include:

- that the Norfolk Island Museum Trust relocates its collection to another location outside of KAVHA, and to run the collection as a separate standalone entity, with potential financial assistance being required from the NIRC (on behalf of the wider Norfolk Island community)
- that the Norfolk Island Museum Trust negotiates a fee-for-service arrangement with KAVHA to house, manage and conserve its collection, with potential financial assistance being required from the NIRC (on behalf of the wider Norfolk Island community)
- that the importance of the Pitcairn Islander story to the KAVHA site be recognised by KAVHA offering to house, manage and conserve the Norfolk Island Museum Trust collection at its own expense (with ownership of the collection still residing with the Norfolk Island Museum Trust).

A case can be made for any of the above options. However, given the Pitcairn story is intertwined with KAVHA, and indeed an important part of KAVHA's history, the third option likely provides the better outcome for KAVHA, the Norfolk Island Museum Trust collection, visitors to the site and the wider Norfolk Island community.

Required funding

The total level of funding required to conserve the KAVHA site is influenced by numerous factors, including:

- appropriate maintenance and conservation costs
- the standard to which the site is conserved
- the extent (and cost) of any interpretation services
- whether the cost of managing and conserving museum collections is included
- whether required funding is to only address the conservation and interpretation required at a World Heritage site, or to extend to improving the visitor experience

- whether capital outlays are required for a new visitor information centre and museum(s).

In some of these areas, there is no definitive answer. For example, there is debate amongst heritage experts as to whether historical sites should be conserved as they are today, or as they were when operational (to aid interpretation). There is also no guideline as to the 'standard' of conservation at a World Heritage site. The Port Arthur Historic Site Management Authority (PAHSMA) suggests that heritage management needs to be best practice.

Vagaries around things such as 'standard of conservation', what is actually meant by 'best practice' heritage management etc mean that, short of a detailed 5 (or so) year forward budget prepared by the Commonwealth Heritage Manager, it will be virtually impossible to forecast with any degree of accuracy the funding required by KAVHA.

The reality is a very large amount of money could be spent at KAVHA. As can be seen from table 3.3, expenditure during 2015-16 at the other Australian Convict Sites on the World Heritage List was sizeable, ranging between less than \$500 000 (Woolmers Estate) and \$18 million (Port Arthur Historic Site). Such funding spans both site conservation and interpretation, and measures to improve the visitor experience.

Table 3.3 shows that KAVHA is a relatively large site, however it receives comparatively few visitors and little funding. Costs are generally high at island sites such as KAVHA.

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Comparisons of funding requirements across sites are fraught with complications. For example, while Cockatoo Island is situated on an island much like KAVHA, it would be expected to have different costs to KAVHA because it was formerly an industrial site. Significant expenditure at Cockatoo Island was required to rehabilitate the site, and thus costs may not be an appropriate benchmark for those at Norfolk Island. The most comparable site to KAVHA is the Port Arthur Historic Site, which has a similarly large number of intact buildings.

At a minimum, the required funding by KAVHA over the next 5–10 years in order to meets Australia's obligation to identify, protect, conserve, present, and transmit to future generations the World Heritage values of the site is likely to be in the order of (a real) \$1.3 million per year. However, depending on decisions about the extent of interpretation, any historical building capital works, and whether a new visitor information centre and/or museum complex is needed, this figure could easily be many times more.

It is also important for DIRD to be fully aware that whether such expenditure would, in itself, see a large number of additional tourists coming to Norfolk Island is questionable. Even an enhanced visitor experience is unlikely to be sufficient to drive up visitor numbers in any notable way (see chapter 5). There are a range of market demand barriers that need to be overcome before the destination wide tourism offer is sufficiently compelling to grow arrivals (see chapter 7).

Broad funding principles

Whatever the funding required by the KAVHA site, there is an issue concerning from where should that funding come.

Broadly speaking, there are three sources of revenue for KAVHA:

- the Australian Government (on behalf of the wider Australian community)
- visitors to/users of the site
- commercial opportunities to improve the visitor/user experience (which, ultimately, will sell goods and services to visitors to/users of the site).

From table 3.3 it was seen that none of the Australian Convict Sites on the World Heritage List currently generate sufficient site revenue to cover their costs. Cockatoo Island is a comparable site to KAVHA because of its island location, and only recovered 45 per cent of costs. Hence, some level of government funding will likely be required by KAVHA.

It would seem logical and a common sense approach for the Australian Government, on behalf of the wider Australian community, to meet the costs associated with KAVHA's conservation and interpretation (noting the extent to which 'interpretation' costs can be separated from 'visitor experience' costs is clearly a challenge). This arrangement would essentially be a continuation of the past approach, which saw the Australian Government and the Norfolk Island Administration funding KAVHA's conservation.

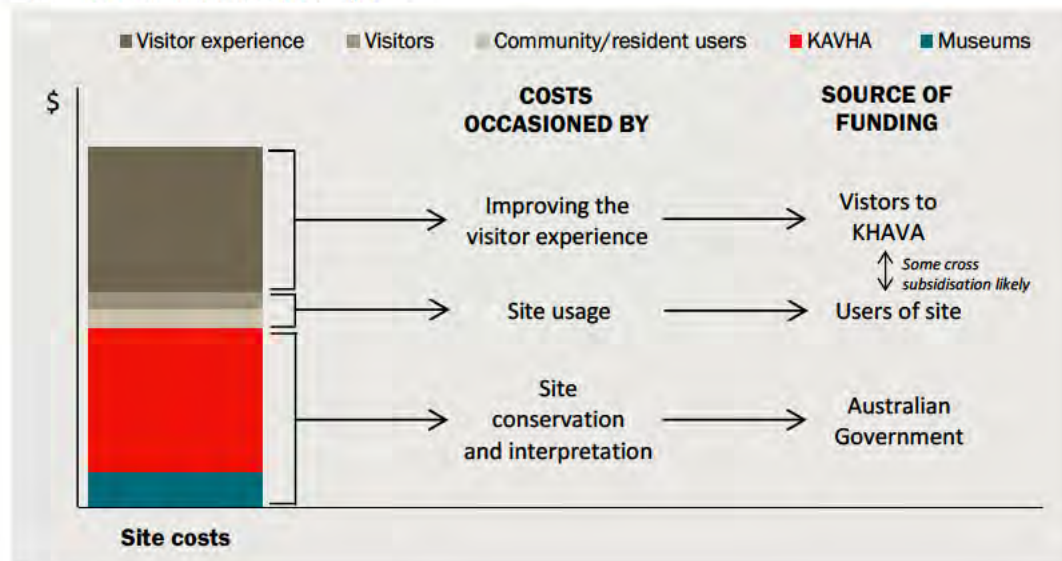
In theory, and under a beneficiary (or user) pays type approach, costs attributable to visitors to/users of the KAVHA site should be recovered from those groups. At a minimum, the marginal cost from site visitation/use needs to be recovered, up to a maximum of total cost recovery. Note that once marginal costs are recovered, there is no economic principle suggesting where cost recovery should fall between marginal and total cost recovery.

The CIE strongly believes that only (up to a maximum of total) costs be recovered. KAVHA is a working site, it includes numerous sporting and leisure resources used by residents, and is important to the wider Norfolk Island community. As such, KAVHA should not be seen as a profit generating opportunity. If, as the CIE suggests they should, the residents of Norfolk Island continue to have unrestricted access to KAVHA, then a degree of cross subsidisation between visitors to KAVHA and resident users may arise.²¹

Chart 3.4 provides a stylised overview of the funding principles that should underlie KAVHA. Note that the current governance arrangements would need to change in order to support this type of funding arrangement (see chapter 6).

²¹ Note that to the extent resident users of KAVHA are imposing costs, and to the extent that these costs are being met (versus say letting the site further deteriorate), then such costs were being covered by the NIA and Australian Government funding of KAVHA prior to 1 July 2016, and by the Australian Government through the SDA with NIRC post 1 July 2016. Hence some cross subsidisation is already likely occurring between site users, and either the Norfolk Island tax payer and/or the mainland Australia taxpayer.

3.4 KAVHA funding principles



Data source: CIE.

4 *Contribution of KAVHA to the economy going forward*

There are several routes through which KAVHA makes a contribution to the Norfolk Island economy. Firstly, expenditure associated with site conservation, interpretation and maintenance activities will be a source of economic activity. Secondly, KAVHA attracts tourists to Norfolk Island, with those tourists staying in hotels, engaging in leisure activities, eating at restaurants, and making purchases at retail outlets.

Added to these direct effects are indirect effects, which flow from linkages between the directly impacted sectors, and supporting sectors. For example, when a tourist purchases a restaurant meal, some of the payment will flow to the upstream food sector for meal ingredients, which in turn will purchase inputs from the (further) upstream agriculture sector.

The contribution of KAVHA to the Norfolk Island economy going forward will therefore depend on:

- conservation and maintenance etc expenditure at KAVHA
- the number of, and expenditure by, tourists visiting Norfolk Island because of KAVHA
- the extent of economic linkages to other supporting sectors.

The basecase

The Norfolk Island economic model has been used to estimate the future economic impact of KAVHA on the local economy over the 10 year period commencing 2017-18.

Estimating the future economic contribution of KAVHA to the Norfolk Island economy requires assumptions to be made about conservation and maintenance expenditure at the site, and tourist numbers and per person spend. Two scenarios are considered. The first is the basecase scenario, which reflects a continuation of the business-as-usual situation. We then consider reforms targeting an improved visitor experience, which may see increased tourist numbers and/or increased tourist spend at KAVHA (see chapter 5).

Conservation and interpretation expenditure at KAVHA

Strictly speaking, the basecase scenario should reflect a continuation of the business-as-usual scenario. However, in the case of KAVHA, business-as-usual cannot continue — the site is currently underfunded and likely not of a World Heritage List standard (or of a comparable standard to the other Australian Convict Sites on the World Heritage List), and the current governance arrangements are failing the site (see chapter 6).

In the basecase scenario it is therefore assumed that over the 10 year period commencing 2017-18, annual conservation, maintenance and interpretation expenditure at KAVHA is (a real) \$1.3 million. Apart from the increase in KAVHA funding, all else is assumed to remain the same — there is no explicit improvements to the overall KAVHA visitor experience (except that flowing from improved site conservation and interpretation), no change to the source of KAVHA's funding, and no change to governance arrangements.²²

Visitor numbers

There is the prospect that improved site conservation and interpretation will, in itself, see more tourists visiting Norfolk Island (induced demand). A study into the economic contribution of the Port Arthur Historic Site to the Tasmanian economy found that a 10 per cent increase in conservation spending was associated with a 1.1–1.4 per cent increase in visitor numbers, with a two year lag between expenditure and increased visitor numbers.²³

If the same findings were to hold true for Norfolk Island, then the increase in conservation spending at KAVHA to \$1.3 million per year could be expected to see an increase in visitors coming to Norfolk Island because of KAVHA.²⁴ As can be seen from chart 4.1, applying the Port Arthur findings to Norfolk Island is estimated to see somewhere between around 3730 and 7130 (midpoint of 5430) additional visitors to Norfolk Island over the 2017-18 to 2026-27 period because of the improved KAVHA conservation.

The additional visitors attributed to greater conservation spending at KAVHA, combined with those visitors that could have been expected to visit Norfolk Island anyway (based on observed trends over the last 5 years), sees total visitor expenditure rising from (in real

²² Note that while KAVHA's current governance arrangements are not ideal, so long as funding arrangements do not change (in terms of funding source), then there is no need to make noteworthy changes to the current arrangements. As is discussed in chapter 6, governance arrangements will only need to change if revenue is to come from other sources, and that revenue is to be retained by KAVHA and used to improve site conservation and interpretation and the visitor experience.

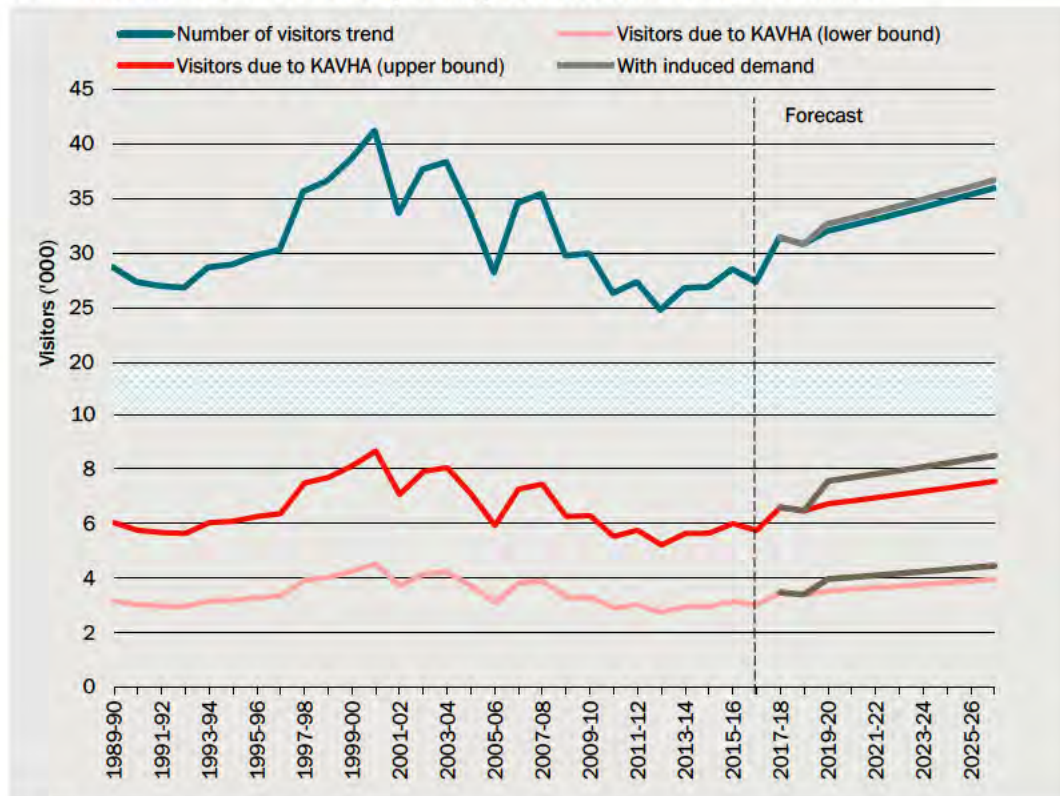
²³ See IMC-Link (2009), Contribution of the Port Arthur Historic Site Management Authority To Tasmanian Economic Wellbeing, page 14.

²⁴ There are two main reasons why the relationship between conservation spending (explanatory variable) and visitor numbers (dependent variable) may not be robustly estimated by IMC-Link (2009). Firstly, regression analysis involving two non-stationary trending variables can lead to spurious regression, where a relationship may be found between variables that are actually unrelated. The appropriate econometric analysis for non-stationary variables depends on the nature of non-stationarity, and OLS regression models are not robust for non-stationary variables unless the variables are co-integrated.

Secondly, there is a problem of endogeneity between conservation spending and visitor numbers in this estimation. In this case, the problem may be that changes in visitor numbers may cause changes in conservation spending, rather than the other way around. The simple OLS regression estimated by IMC-Link (2009) is not sufficient to determine causality between conservation spending and visitor numbers.

terms) an estimated \$33 million in 2017-18 to \$38.8 million in 2026-27. Of this gross tourist expenditure, between 11–21 per cent is attributable to KAVHA.

4.1 Increased conservation spending at KAVHA and induced demand



Note: Total visitors to Norfolk Island includes both air passengers and cruise ship passengers.

Data source: Norfolk Island Government Tourist Bureau, TRANSAM Argosy, stakeholder consultations, and CIE calculations.

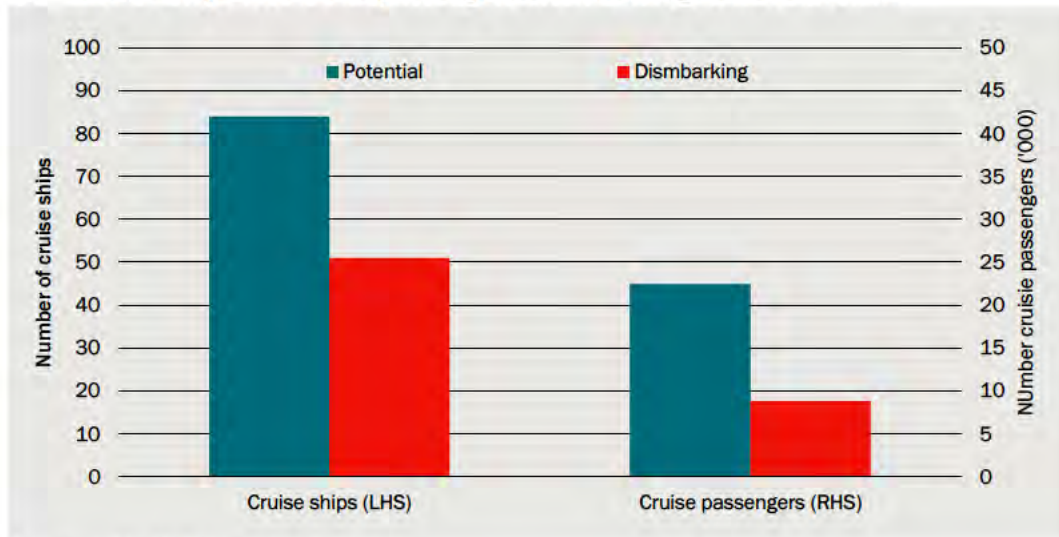
The total visitor numbers reported (and forecast) in chart 4.1 include visitors arriving by both air and cruise ship. While forecast air and cruise passenger arrivals are dependent on sufficient capacity to accommodate the forecast growth, cruise arrivals are further subject to uncertainty with respect to the ability of passengers to disembark at Norfolk Island.

The Cascade Pier upgrade is scheduled to be operational from (a planned) December 2017. As can be seen from chart 4.2, since 1991-92 some 61 per cent of cruise ships planning to stop at Norfolk Island have done so. However, the passengers disembarked by these (51 out of a possible 84) ships represent only 39 per cent of the potential passengers that could have disembarked. This indicates the cruise ships not able to disembark passengers due to adverse weather are the larger vessels, which account for the majority of potential cruise visitors.

The cruise industry reports that the 'mystery' surrounding Norfolk Island see cruises with a visit to Norfolk Island selling well and being in high demand. However, poor reliability with respect to being able to disembark passengers has seen cruise lines prefer other destinations to Norfolk Island. While the Cascade Pier upgrade and new tenders are welcomed, it has been suggested that the cruise industry will likely wait a few years post pier upgrade to gauge success, and before making a call on future schedules for Norfolk Island.

Given such uncertainty regarding cruise ship visits, it has been assumed that the number of future cruise ships and passengers replicate long run (10 year) averages, but with the probability of passengers disembarking rising from the 1991-92 to 2016-17 average of 39 per cent to (stakeholder suggested) 70 per cent.

4.2 Cruise ship arrivals and passengers disembarking at Norfolk Island



Data source: TRANSAM Argosy.

However, there is always the possibility that a successful pier upgrade and the new tenders will encourage other cruise providers to schedule calls to Norfolk Island or for Carnival Australia to schedule additional visits more quickly than expected, at which point the contribution of KAVHA to the Norfolk Island economy over the next 10 years will be understated.

The economic contribution of KAVHA over 2017-18 to 2026-27

An economic modelling simulation has been conducted whereby expenditure at KAVHA and wider tourism expenditure increase as detailed above.

The database underlying the Norfolk Island economic model relates to year 2015-16. On 1 July 2016, various taxation and welfare reforms were introduced on Norfolk Island. As these reforms will not be reflected in the model's underlying database, the 1 July 2016 reforms have been included in the modelling exercise. Box 4.3 summarises the welfare, taxation and other changes included in the modelling simulation(s).

4.3 Taxation, welfare and other changes implemented on 1 July 2016

In May 2015, the *Norfolk Island Legislation Amendment Act 2015* and related acts came into effect. They provide for the Australian Government to assume responsibility for funding and delivering national and state level services, and see the extension of mainland workplace relations, taxation and welfare arrangements to Norfolk Island.²⁵

Workplace relations and minimum wages

Norfolk Island is transitioning to the national workplace relations system and the *Fair Work Act 2009*. The transition will happen in three stages, beginning on 1 July 2016 and ending on 1 July 2018. The entitlements and obligations that will apply to Norfolk Island employees and employers in each of the three stages are described below:

Stages of reform to workplace relations in Norfolk Island

Stage	Date	Entitlements
Stage 1	1 July 2016	▪ The National Employment Standards (NES) apply, which provides 10 minimum employment entitlements such as sick leave, annual leave and public holidays ▪ Employees are entitled to 85 per cent of the national minimum wage (\$15.05 for adult employees) ▪ Casual loading of 25 per cent ▪ Record-keeping and pay-slip obligations ▪ Employers are able to negotiate enterprise agreements and other registered agreements with employees
Stage 2	1 July 2017	▪ Employees will be entitled to the full minimum wage
Stage 3	1 July 2018	▪ Employees will also be covered by awards, which set out wages and conditions including overtime and penalty rates for industries or occupations ▪ Contracts, agreements and determinations under the following acts will no longer apply if conditions are less favourable than those in the NES: <i>Norfolk Island Employment Act 1988</i>, <i>Norfolk Island Public Service Act 2014</i>, <i>Norfolk Island Public Sector Remuneration Tribunal Act 1992</i>

Source: Fair Work (available at: <https://www.fairwork.gov.au/about-us/legislation/norfolk-island>), CIE.

While public holiday entitlements in Norfolk Island are aligned to mainland Australian entitlements, members of the Norfolk Island community have sought to preserve Norfolk Island's public holidays.²⁶ This has been effected through the *Norfolk Island Continued Laws Amendment (Public Holidays) Ordinance 2016*.²⁷

The Superannuation Guarantee Levy is being gradually introduced, commencing at 1 per cent on 1 July 2016 and rising by 1 per cent each year.²⁸

Taxation

- Norfolk Island resident individuals, companies and trustees will be taxed (at mainland rates) on their Norfolk Island sourced income and their foreign sourced income.

²⁵ See http://regional.gov.au/territories/norfolk_island/reforms/arrangements.aspx

- Norfolk Island residents are liable to pay the Medicare levy.
- Norfolk Island employers and employees will be brought into Australia's superannuation guarantee system. However, the system will be progressively introduced to reduce the impact on Norfolk Island and employers.
- The GST is not levied in Norfolk Island as Norfolk Island is an external territory.

Medicare

Australia's Medicare and Pharmaceutical Benefits Scheme arrangements are extended to Norfolk Island.

Social security

Australian social security system adopted in full.

Customs and excise duties

Customs and excise duties will not apply to Norfolk Island, which is consistent with the current arrangements in Australia's other external territories.

Table 4.4 reports key modelling results for the baseline scenario. For comparison, we have also reported modelling results for a continuation of current arrangements (Trend) scenario.

As was reported in chapter 2, tourism attributable to KAVHA was estimated to contribute approximately \$6 million to GTP. Over the period 2017-18 to 2026-27, it is estimated that increasing site conservation and interpretation expenditure to \$1.3 million annually, combined with the additional tourists that the improved KAVHA conservation sees coming to Norfolk Island, will see real GTP being \$4 million higher than otherwise in 2026-27. Household consumption, which is the preferred welfare measure, is some \$3 million higher in 2026-27.

4.4 Baseline economic contribution of KAVHA (real 2015-16 \$ terms)

Metric	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Continuation of current arrangements (Trend scenario)										
GTP	77	78	79	81	82	84	85	87	88	90
Wages	36	37	38	38	39	40	40	41	42	42
Con.	48	49	50	51	52	52	53	54	55	56

²⁶ See http://regional.gov.au/territories/norfolk_island/reforms/newsletters/issue-12.aspx

²⁷ Available at: <https://www.legislation.gov.au/Details/F2016L01949>

²⁸ See <https://www.ato.gov.au/general/Norfolk-island-tax-and-super/>

Metric	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Greater conservation spending (Basecase scenario)										
GTP	78	80	83	84	86	87	89	90	92	94
Wages	37	38	39	40	41	41	42	43	44	44
Con.	49	50	52	53	54	55	56	57	58	59

Source: Norfolk Economic model simulations.

Could the Norfolk Island economy ‘cope’ with a large injection of funding at KAVHA?

The Norfolk Island labour market is unique in that it is relatively isolated. This means as wages increase labour cannot (easily) enter the labour market, increase labour supply, and mitigate the wage rises. Hence there is the very real possibility that an increase in KAVHA conservation spending will be associated with higher wages, and a ‘bubble’ around KAVHA wages. The prospect of a wage bubble around KAVHA wages is heightened given the uniqueness of the skills required by the KAVHA works crew.

The small workforce and scarcity of required heritage maintenance skills reflects the past multi-year deterioration of the Norfolk Island economy, with the absence of a long term commitment to recurrent funding of KAVHA and attention to succession planning. These have combined to see mobile workers looking to mainland Australia or New Zealand (or elsewhere) for employment, rather than looking to Norfolk Island (and KAVHA) for employment.

The greater conservation and interpretation expenditure at KAVHA will improve employment prospects at KAVHA. And if the increased conservation and interpretation expenditure at KAVHA leads to more tourists visiting Norfolk Island and greater economic activity more generally, then employment opportunities elsewhere on-island can be expected to improve too. Greater employment opportunities could be expected to assist with workforce retention and social stability on Norfolk Island. By way of example, PAHSMA currently employs 200 people, and is the major employer on the Tasmanian Peninsula. The employment opportunities provided by the Port Arthur Historic Site (PAHS) have contributed to social stability on the peninsula.

Noting the potential for a KAVHA wage bubble, it may be prudent to phase in any increase in expenditure over a few years in order to allow the local labour market to adjust to the improved employment prospects.

5 *Options for enhancing KAVHA's contribution to the economy*

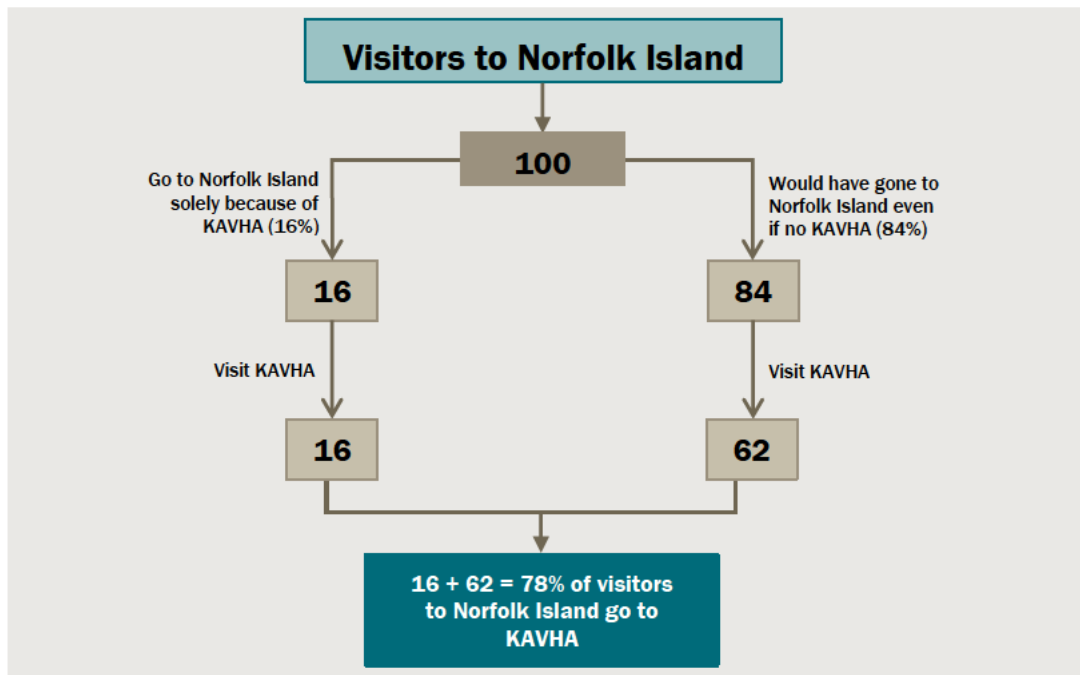
Increasing the contribution of KAVHA to the Norfolk Island economy would require increasing visitor expenditure. This could derive from a higher number of visitors to Norfolk Island due to KAVHA, and/or higher per person spend on site.

Increasing visitor arrivals to Norfolk Island due to KAVHA

The objective of growing tourist arrivals to Norfolk Island is shared across the local tourism industry, but achieving this at any notable scale depends on significant destination-wide improvements to island accessibility, the overall Norfolk tourism offering and destination marketing. This finding is not new — it has been documented in tourism plans, concluded from market research and validated by visitor feedback for many years. No single investment can overcome the constraints to tourism growth facing Norfolk Island. That would require concerted public and private sector investment in integrated infrastructure and product development, alongside suitably-targeted destination marketing.

Accordingly, it would be imprudent to assume that any improvements to the KAVHA site alone will have a significant direct impact on increasing visitor numbers to Norfolk Island. While KAVHA is undoubtedly one of Norfolk Island's major tourist attractions, it is not the only reason the majority of tourists travel to the island. A survey undertaken by the Norfolk Island Government Tourist Bureau for CIE found that 84 per cent of tourists would have visited the island even if KAVHA did not exist. The survey also found that 78 per cent of tourists reported they visited KAVHA, although this is lower than claimed by tourism stakeholders who widely hold the view that 'almost all' visitors to the island visit KAVHA. Chart 5.1 shows how these survey results should be interpreted.

5.1 Reconciling survey results



Data source: CIE.

The lower than expected survey finding regarding number of tourists that report visiting KAVHA may reflect respondent uncertainty about how KAVHA is defined. An indication of this is an analysis of Trip Advisor user-generated reviews which shows that 'Kingston & Arthur's Vale Historic Area' was nominated by visitors as #10 of 56 'things to do' on Norfolk Island, *after* 'Old Kingston Town' at #3. A large number (17) of the other 54 'things to do' are in fact on the KAVHA site, suggesting site attendance might have been recorded higher if respondents understood what attractions KAVHA hosts. Furthermore, as some of the iconic marketing images that attract visitors to Norfolk Island are viewed on/from KAVHA, it is reasonable to assume the site is at least a photo stop for the majority of tourists.

Notwithstanding the need to better understand tourist motivations for, and visitation at KAVHA, this study draws on available evidence and assumptions that:

- any improvements to the KAVHA site — in isolation — will have marginal impact on increasing visitor numbers to Norfolk Island, simply due to the limited influence of KAVHA in the decision to travel to Norfolk Island and the many variables influencing destination appeal and barriers to travel
- the marginal impact of improving the KAVHA visitor experience can however be quantified, by drawing on the insights from the Port Arthur Historic Site
- if other improvements to the Norfolk Island destination proposition are undertaken alongside improvements to KAVHA, representing a collective enhancement to the overall appeal of Norfolk Island, this 'greater than the sum of parts' result could positively influence growth in visitor arrivals (see chapter 7).

Improving the KAVHA visitor experience

Improving the depth, integrity, consistency, comfort and overall quality of the visitor experience at KAVHA is necessary for visitors to place a high value on the site and want to visit/spend more time there. Both of these outcomes positively influence visitor spend.

Visitor satisfaction with KAVHA, and its attractions, is reportedly overall very positive. Evidencing this, the majority of Trip Advisor reviews for the 18 listed attractions located at the KAVHA site (12 of which are primarily historic attractions), show very good to excellent ratings. A visitor survey conducted by the Norfolk Island Museum in mid 2017 also had favourable responses indicating high visitor satisfaction.

However, there are also indications that the visitor experience at KAVHA is not of the quality expected for a contemporary tourist attraction with World Heritage status, and that there is a need for critical improvements.

Firstly, there is currently a lack of information available to make a visit to the site as informative, engaging and encompassing as it should be. Until recently, there had been no functioning KAVHA tourism website to enable pre-trip research and planning and the KAVHA maps/brochures were reportedly out of print.²⁹ Furthermore, interpretation panels are inadequate and inconsistent, and some sites are not marked for their heritage significance.

Secondly, there are issues around the quality of some tours being delivered by external operators on site, which negatively impact the KAVHA visitor experience. s47G(1)(a)

[REDACTED]

Thirdly, despite the Norfolk Island Museum's excellent efforts to maintain precious collections with limited resources, the quality of exhibits is arguably not up to the standard expected by visitors to a World Heritage site. Inadequate environs/settings for housing exhibits or storing collections not only jeopardises the conservation of valuable heritage assets, but also undermines the visitor experience. In addition, opportunities to extend the nature and scale of cultural heritage displays at KAVHA are being restricted by unsuitable conditions.

Fourthly, uncontrolled parking on the site detracts from the picturesque view 'promised' to visitors in marketing materials. Furthermore, in some locations it is known to risk damaging heritage assets (ruins). Although the parking arrangements are accepted by stakeholders as 'just the way it is', it is undermining the visitor experience on two levels — aesthetics and compromising heritage integrity.

²⁹ The KAVHA website (www.kavha.gov.au) became operational in early July 2017. While there are still some shortfalls with the site concerning information to assist with visitor planning, it is expected these information gaps will be addressed over time. KAVHA brochures were reprinted in June 2017 and available on-island in July 2017.

Finally, many visitors report there 'is not enough to do' at the site. Of particular note is the lack of a café and limited access to more buildings. As one reviewer on Trip Advisor noted:

Well preserved houses and building all around the area as well as the remains of the Convict era. There were restorations underway at the 'church' and we were not sure if we could go in. Other buildings seemed to be either occupied or derelict. It would have been nice to look inside some of them. (Trip Advisor reviewer, May 2017).

These findings indicate that the visitor experience at KAVHA needs improvement and enhancement in order to maximise visitor satisfaction levels, increase their perceived value of the site, and encourage more and longer visits. The following options would enable this, and allow KAVHA to achieve a visitor experience standard expected in a contemporary tourist attraction with World Heritage status.

Investing in KAVHA visitor information resources

Critical to improving the visitor experience at KAVHA will be augmenting the current KAVHA website to enable planning of a visit, installing consistent interpretation panels (as per an Interpretation Plan if endorsed by governing authority), and printing Visitor Guides with a detailed map and interpretation information. The development of a KAVHA site app with engaging visitor information and interpretation could add further value. Enabling people to see and learn as much as possible will optimise their appreciation of the site.

Introducing tour operator licensing and an associated accreditation program

A tour operator licensing system and accreditation program can be used to instil quality-control measures around the integrity of tour content and the safety and comfort of tourists, and to recognise the professional standards and expertise of high-performing tour operators and guides. A standard tour operator license would require that any such business operating on site adhered to terms and conditions around formal business registration, a code of conduct, occupational health and safety, fee structures and other matters deemed relevant by the KAVHA governing authority. Special tour operator commercial licenses can also provide for special interest tours/exclusive use experiences. Accreditation could apply to both the business (for example, demonstrating sustainable practices, employing accredited guides, committing to train staff) and tour guides (for example, undertaking a KAVHA developed/endorsed training and accreditation program). Appendix B provides sample licensing and accreditation models in Australia that apply under a commercial use policy. Further research and consultation is needed to help the KAVHA governing authority determine the preferred approach based on context-specific conditions.

While some licencing fees are a revenue source for sites, KAVHA might benefit from keeping standard tour operator licence fees at a minimal (cost recovery) level, as it will be more important to get the small number of operators to 'buy into' the commitment to accrediting their tour guides, adhering to a code of conduct, and facilitating the collection of a potential KAVHA Visitor Pass fee, rather than seek additional fees from them.

Investing in appropriate infrastructure to house existing museum exhibits

This applies to the buildings housing existing collections and the provision of facilities/infrastructure for future expansion of exhibits that add to the site's visitor appeal.

Introducing a KAVHA managed site orientation walking tour

As is the case at the Port Arthur Historic Site, the purpose of a site orientation walking tour would be to:

- introduce the site to visitors
- provide an overview of its history
- identify all locations including areas that can/cannot be accessed
- describe the many visitor experiences on offer.

This will serve to whet visitors' appetites to see/learn/do more. Referring people to an information board that lists other more in-depth tours/experiences available around the site would provide revenue-generating opportunities for KAVHA and commercial tour operators.

It is recognised that the current tagalong tours with vehicles serve a similar function. However, the walking option could be positioned as the *first* thing people should do, be available daily at regular intervals, and encourage more engagement through a short (for example, a 40 minute) group walk. In-situ orientation tours could be made available daily for less mobile visitors, or for during poor weather conditions.

Investing in more/better visitor facilities and experiences

Key to enhancing the visitor experience for locals and tourists will be adding/upgrading facilities and products/services. Suggestions made to date include:

- adding/improving barbeques
- providing more appropriately situated toilets
- installing changing rooms/showers at Emily Bay
- opening more food and beverage outlets/cafes/restaurants
- introducing galleries/cultural attractions
- offering on-site accommodation
- developing new special interest tour experiences

Commercial opportunities relating to some of these are discussed further below.

Funding visitor experience improvements — applying a KAVHA site entry fee

If the visitor experience is to be improved, then additional funding will be required. Under a beneficiary pays type principle, those benefitting from the improved visitor experience — the visitors to KAVHA — would fund the cost of the experience.

The introduction of a site entry fee for KAVHA has been the subject of discussion for some time, most recently in the consultations undertaken to inform the *KAVHA Heritage Management Plan* (2016), the draft *Concept Plan for a Master Plan* (2017), and this study into the economic potential of the KAVHA site. There are competing views amongst stakeholders on this topic, with some indicating strong resistance to the introduction of any access fee to this long-standing community space, whilst others suggest a visitor fee is acceptable on the grounds of supporting site maintenance and improvements, and in line with accepted practice at such visitor attractions around the world. The absence of a designated entry point at KAVHA adds complexity to this matter.

The case for introducing a site entry fee

Introducing a site entry fee would achieve a number of favourable outcomes.

- Ensuring that tourist ‘users’ of the site would be making a financial contribution to:
 - the maintenance/conservation of the site (for which some costs directly relate to managing impacts of visitor traffic), and/or
 - enhancement of the visitor experience.
- Enabling data to be collected about site visitation, which could inform insights on tourism needs and opportunities for KAVHA and the broader Norfolk Island visitor economy.
- Positioning KAVHA alongside other key attractions in Australia for which a site entry fee is standard practice, and accepted by the tourist market as indication of the value of the site (such as at other popular Convict Heritage sites, and World Heritage listed parks co-managed by indigenous communities including Kakadu and Uluru-Kata Tjuta National Parks).
- Generating new revenue opportunities for local businesses through:
 - commissions (for example, presale of entry passes by tour operators, accommodation providers, tourist information centre)
 - the promotion of tour operator products to enhance the visitor experience
 - the inclusion of value adds to incentivise visitors to make other purchases on site/on island.
- Injecting money into the local economy that may otherwise not have been spent on the island.

The case against introducing a site entry fee

Introduction of a site entry fee raises concerns amongst some stakeholders, who suggest it would result in unrest in the community during a time of heightened sensitivity about the sovereignty of Norfolk Island. Imposing a cost on residents to access what has essentially been their community ‘backyard’ since the beginning of the Pitcairn settlement would face extreme resistance. This is a significant risk that requires mitigation.

Stakeholders also expressed a concern about a site entry fee limiting tourism to Norfolk Island/KAVHA due to the reported price-sensitive nature of many tourists, and concerns that tourists will be deterred from travelling by an additional cost. On its own, this concern may be overestimated because:

- the cost of a pass would represent a relatively small portion of the whole trip, so is unlikely to impact the decision to travel
- discussions with some members of the local industry and travel agents indicate people who visit the site do 'value' it, and most would understand the case for raising funds from tourism via an entry charge
- seniors tour groups (for example, Probus) are travelling to other destinations on trips that cost more than Norfolk Island, so the price-point would still compare favourably.

However, it should also be noted that by early 2018, visitors to Norfolk Island will, according to tourism industry stakeholders, reportedly be facing an around \$115 per person increase in the cost of their tour package due to increasing the landing tax in January 2018 (\$44) and the increase in operating costs resulting from economic reforms introduced on 1 July 2016 (around \$70). Such cost increases would see the on-island cost of visiting Norfolk Island for the average air passenger staying in public accommodation rising by some 9 per cent. According to a major tourism operator, this price rise is more than the market can bare at this time. This suggests the timing of an entry fee is more of a concern than the concept.

Finally, some stakeholders questioned the logistical arrangements for monitoring a pass system in a spread-out, unfenced site with multiple entry points.

Introducing a site entry fee via a KAVHA Visitor Pass

On balance, we believe there is merit in introducing an entry fee for tourists in the form of a KAVHA Visitor Pass. The Visitor Pass could be positioned as an enhancement of the current Museum Pass, and include a package of offerings (such as an introductory tour, access to museums and other value adds) that appeal to tourists and represent value for money. Perceived risks, such as monitoring a pass system, can be managed.

It is recommended that Norfolk Island residents be exempt from paying a site entry fee via such a Visitor Pass given the site is so integral to the community's heritage and everyday life, rather than an 'attraction' they want to learn about through an organised process. Although tourist-only entry fees are arguably not 'good practice' for a destination as they can be perceived as discriminatory or unfair by tourists, in this instance it may be warranted given the nature of the site and sensitivities related to it. Educating tourists about the role of the site in the everyday lives of Norfolk Islanders, and the importance of tourism revenues to preserve the site and enable future visitors to enjoy it, can build the travel market's understanding of the visitor fee arrangement. Other sites, including the Port Arthur Historic Site, have faced challenges moving from a free to fee model, but after a difficult period of change, has been able to benefit from needed revenues, as well as high levels of visitor satisfaction. With respect to the museums, it would need to be determined whether special resident museum only entry fees would apply.

Revenue generated from the Visitor Pass could be reinvested in improving the visitor experience on site. An improved visitor experience would be expected to increase visitor arrivals to the island over time. The Port Arthur Historic Site economic contribution study suggests that a 10 per cent increase in non-conservation spending is associated with

a 0.7–0.9 per cent increase in visitor numbers, with a 2 year lag between the increased expenditure and increase in visitor numbers.³⁰

Designing a Visitor Pass package of inclusions

Bundling several low cost/high value inclusions into a Visitor Pass creates an appealing, ‘value for money’ product for tourists, while providing opportunities for upselling and cross-promotion to other tourism products and services. For example, the KAVHA Visitor Pass could include:

- access to all (identified) areas within the site, including the museums, ruins, cemetery, open buildings, and visitor facilities
- multiple-day entry (which will encourage more visitation and more opportunities for future spend)
- a KAVHA Visitor Guide with detailed map and interpretation information
- a complimentary orientation tour of the site
- value add giveaways such as complementary postcards
- discount/value add vouchers for other products/services on-site to incentivise more spend (deals would need to be negotiated with current/future providers, such as discounts on items in a gift shop, special offers for other tours, a free coffee with purchase of lunch at a future café, etc).
- onsite parking for self-drive visitors in designated areas (assuming the introduction of parking areas to protect heritage assets and enhance the site aesthetics)
- a KAVHA app (possible future inclusion to be developed if wi fi download possible and if access can be restricted to paying customers)
- free wi fi (when feasible in the future).

For cruise passengers who are limited to a maximum of several hours on island, a tailored Cruise Visitor Day Pass could be offered exclusively to cruise operators with slightly modified inclusions.

Expanding the pass to become a ‘Norfolk Island Heritage Pass’ that includes KAVHA and Norfolk Island National Park is also worth consideration. There is a marketing advantage to promoting a destination’s cultural and heritage offering together, and enabling joint access to them. However, as the National Park does not currently have an access fee, and as this would require coordination across government departments, it may be preferred to pilot the pass for the KAVHA site.

Timing the launch of a Visitor Pass

Options for the Visitor Pass span introducing it as soon as practical and increasing its price over time as the visitor experience is developed/improved, versus delaying introduction of the pass for a number of years and then introducing it at full price.

³⁰ See IMC-Link (2009), Contribution of the Port Arthur Historic Site Management Authority To Tasmanian Economic Wellbeing, page 14.

One possibility which weighs up tourism industry best practice, stakeholder acceptance, logistical factors, and the need to start generating revenue for visitor experience enhancement as soon as possible, would be to introduce the Pass in 2019-20. This (almost) two-year lead time would allow sufficient time for the following necessary steps:

- the establishment of a revised governance arrangement with the decision-makers and resources in place to guide all decisions about the site's future
- the development of a KAVHA Commercial Use Policy that includes decisions on the Visitor Pass and prices
- communication of rates to travel industry partners in the distribution system (for example, cruise operators, inbound tour operators [ITOs], wholesalers) who require a lead time of up to two years in order for products to be included in contracts and promoted to clients via programs
- assimilation and acceptance of the concept of a new Visitor Pass, to replace and extend the Museum Pass, into the tourism market from a forward date
- enhancement of the site as a result of the commercial policy (for example, opening of a café or gallery), which would reinforce the value of the Pass
- preparation of the Visitor Pass including planning logistics and developing materials by the staff (who are yet to be appointed under a new governance arrangement).

Introducing the entry fee any sooner, even just for walk-ins, would risk putting potential industry partners offside, due to overlooking their role, lost commission opportunities, and potentially upsetting clients not prepared for the fee. Visitor dissatisfaction is a risk for those using travel agents or travel guidebooks that have yet to be updated.

Furthermore, having an overlap of pass types would complicate administration for the market and for staff. Therefore, a seamless transition from the Museum Pass to the KAVHA Visitor Pass will require an industry lead time standard of up to two years.

Pricing a Visitor Pass

The price of the Visitor Pass would need to:

- adequately cover the total costs of visitor experience inclusions, operations and administration
- be perceived as reasonable compared to benchmarks such as the current KAVHA museum multiple entry pass (\$25 per person), and other similar heritage sites
- allow for commission margins/net rates for agents that pre-sell the pass (travel agents, local hotels, visitor information centre, wholesalers, inbound tour operators)
- be modest to start if introduced while site offerings are limited, and only increase after a few years when more visitor experiences come on board.

In accordance with this, an indicative pricing structure is presented in table 5.2, which supposes:

- commencing in 2019-20 with a \$25 standard Visitor Pass rate for adults, the same rate that currently applies to the Museums Pass (offering more value for the same price will help gain acceptance of the new fee by the tourism industry and visitors)
- offering discounts for seniors, children, families and cruise (day) passengers

- holding constant the 2019-20 rate for two years (to mitigate the risk of backlash from the introduction of an entry fee)
- applying annual increases thereafter, in line with improvement to the visitor experience, comparator analysis, and economic conditions (assuming a 5 per cent annual increase in use from 2019-20 onwards).

5.2 Indicative Visitor Pass prices in 2019-20

Pass type	Retail price	NET RATES	
		10% (for agent/hotels)	20% (for inbound tour ops)
	\$	\$	\$
Standard Visitor Pass			
Adult	25.00	22.50	20.00
Concession	20.00	18.00	16.00
Child	15.00	13.50	12.00
Family	75.00	67.50	60.00
Cruise passenger Visitor Pass			
All visiting passengers	Na	Na	20.00

Note: At least one year's notice is required by the travel industry to allow for the price to be incorporated into travel programs. Cruise companies will require longer (1.5–2 years). For any existing bookings in place at the time the fee is introduced, a complimentary pass could be provided as an act of good faith.

Source: CIE.

Selling a Visitor Pass

There could be multiple possible distribution channels for the Visitor Pass including:

- at the REO and museums (as per current arrangement with the Museums Pass)
- at a future central KAVHA information centre/interpretation centre
- via the Norfolk Island Visitor Information Centre or on-island accommodation providers, which could sell a voucher to be redeemed for the physical pass on site (for this, the distributor would need to earn a retail commission/receive net rate, as factored into the pricing model)
- via local inbound tour operators who could collect passes from KAVHA for distribution to their groups/passengers, or provide a voucher for passes to be collected on site (for this, the tour operator would need to earn a commission / receive a net rate; expected to be 'best net' rate if managing inbound passengers, as factored into the pricing model)
- via travel agents/wholesalers in source markets who could sell a voucher to be redeemed for the physical pass on site (for this, the distributor would need to earn a commission/receive net rate, as factored into the pricing model).

By offering tour operators a net rate for the pass, they can choose to incorporate it into their product or sell it separately generating new revenue.

Operating the Visitor Pass system within an open, unfenced site

Due to the KAVHA site having four access points, and the overwhelming opinion that the site should not be fenced, the logistics of administering a pass system at KAVHA are challenging, but possible through a number of measures.

- Developing an entry pass policy that requires any (non-resident) individual who enters the site to purchase and display on their body a Visitor Pass (for example, in the form of a lanyard with card identifier). It could be determined that occupants of cars/buses driving into the site are exempt until such time that they exit the vehicle.
- Communicating these requirements, and ways to purchase a pass, in advance through visitor information sources and travel distribution channels.
- Exempting residents from having to carry a pass, but requiring proof of residence upon entry to museums.
- Allocating car and coach parking areas nearby a designated Visitor Information Office (or satellite office in interim). This would enable passes to be collected at the beginning of a visit, and mitigate the risk of people not purchasing the pass. (Introducing a designated 'starting point' will also help visitors to better plan their visit and make the most of the whole site).
- Having staff check people are wearing passes at entries to museums and information centre, and, where feasible, around the site if tourist activity is obvious (for example, during tours). A policing approach to checking passes is neither feasible nor appropriate, but staff could politely ask people who do not have a pass if they are residents, and if not, refer them to points of sale. This arrangement will require a culture of 'honesty and respect' that can be enabled through tourist and resident education and offering local tourism industry commission on advance sales of the pass.

Dealing with entry fees during special events

Special conditions for entry fees would need to be developed by the governing authority for days during which events are held. Options for consideration include:

- on the occasion of free community events the entry fee could be waived and the event promoted as sponsored by KAVHA
- on the occasion of a commercial community event (for example, ticketed concerts), the visitor pass might be waived in lieu of an event ticket price, subject to commercial arrangements between the event organiser and KAVHA
- on the occasion of private use special events, the visitor pass might be waived as replaced by commercial arrangements between the event organiser and KAVHA.

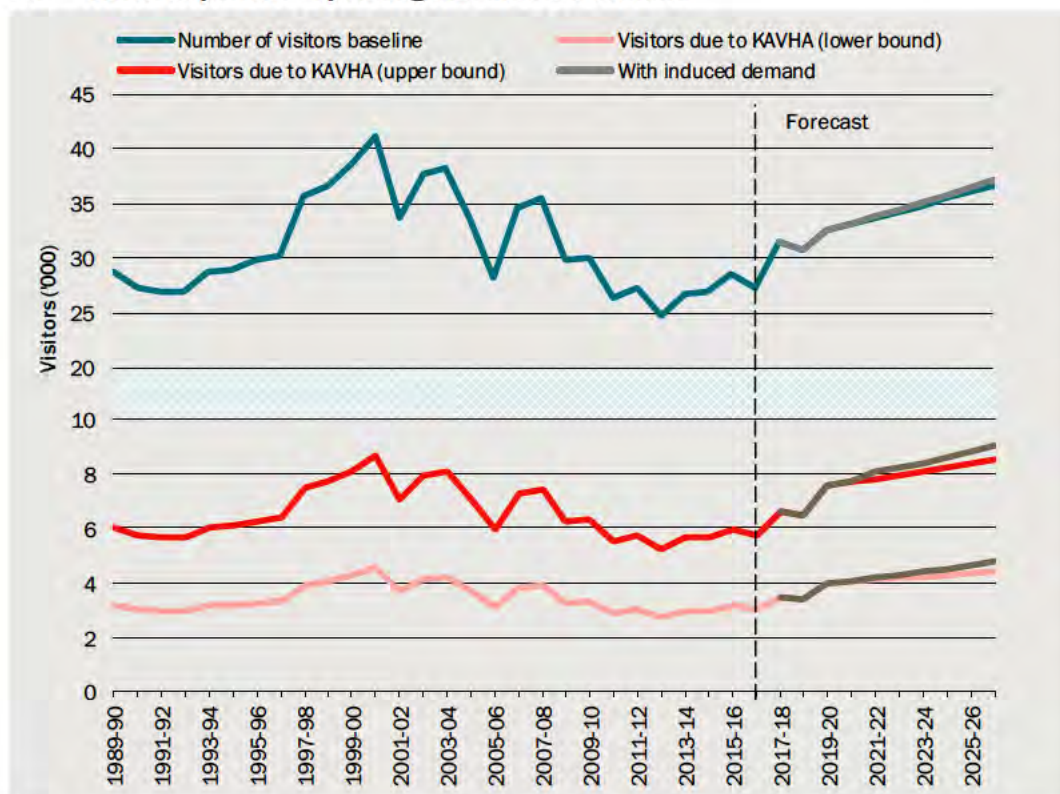
Determining revenue projections for the KAVHA Visitor Pass

The revenue projections for the KAVHA Visitor Pass are largely determined by the price of the pass, and the number of visitors to Norfolk Island purchasing the pass. A complexity arises in that the reinvested pass revenue is assumed to improve the visitor experience, which will attract more visitors to Norfolk Island, which in turn will lead to greater revenue from the KAVHA Visitor Pass.

In projecting the KAVHA Visitor Pass revenue, the following assumptions were made:

- the indicative price structure (see table 5.2 and surrounding text)
- forecast visitor numbers over the 2017-18 to 2026-27 period factoring in induced demand (due to both improved conservation and visitor experience, see chart 5.3)
- the share of general pass sales reflecting 50 per cent at concession price, 40 per cent adult and 10 per cent child
- the sale of general Visitor Passes reflecting:
 - 60 per cent purchased directly from KAVHA (no commission; 100 per cent of fee retained by KAVHA)
 - 15 per cent purchased via travel agent/hotel/Visitor Information Centre (for which 10 per cent commission is payable; 90 per cent of fee to KAVHA)
 - 25 per cent purchased via inbound/wholesale tour operators (for which 20 per cent commission is payable; 80 per cent of fee to KAVHA)
- the bulk of the revenues not retained by KAVHA (reflected in a commission) is likely to be retained by local businesses on Norfolk Island, providing a new revenue source.

5.3 Visitor experience spending and induced demand



Note: The number of visitors to Norfolk Island in the baseline includes induced demand brought about by the increase in conservation funding/expenditure to \$1.3 million per annum in 2017-18 and following years.

Data source: CIE.

The projected revenues from the KAVHA Visitor Pass sales are shown in table 5.4.

5.4 Revenue estimates for the KAVHA Visitor Pass

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Standard Visitor Pass	492	502	540	578	619	663	711	762
Cruise Visitor Pass	54	54	57	60	63	66	70	73
Total	546	556	597	638	682	730	781	835
Retained by KAVHA	514	523	562	600	642	687	734	786
Retained by distributors	32	33	35	38	40	43	46	50

Source: CIE.

Economic impact of an improved visitor experience

Table 5.5 reports the estimated economic impacts of using the revenue raised through the Visitor Pass to improve the KAVHA visitor experience. (Table 5.5 also reports the modelling results from the Trend and Basecase scenarios for comparison.) The greater expenditure at the KAVHA site in order to improve the visitor experience (funded through Visitor Pass revenue), combined with the increase in visitors to Norfolk Island due to that improved visitor experience, sees real GTP being some \$3 million higher in 2026-27 than the greater conservation funding (Basecase) scenario, and \$7 million higher than the Trend scenario.

5.5 Economic contribution of an improved visitor experience (real 2015-16 \$ terms)

Metric	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Continuation of current arrangements (Trend scenario)										
GTP	77	78	79	81	82	84	85	87	88	90
Wages	36	37	38	38	39	40	40	41	42	42
Con.	48	49	50	51	52	52	53	54	55	56
Greater conservation spending (Basecase scenario)										
GTP	78	80	83	84	86	87	89	90	92	94
Wages	37	38	39	40	41	41	42	43	44	44
Con.	49	50	52	53	54	55	56	57	58	59
Visitor experience spending (Visitor Pass scenario)										
GTP	78	80	84	85	87	89	91	93	95	97
Wages	37	38	40	41	42	42	43	44	45	46
Con.	49	50	52	53	55	56	57	58	59	61

Source: Norfolk Economic model simulations.

The above modelling is based on improvements resulting from increase in visitor experience spend, but it is recognised that there could be other KAVHA-specific

interventions that might help drive ‘new’ (albeit marginal) visitor traffic to Norfolk Island. For example:

- the introduction of boutique accommodation at KAVHA could generate interest from the travel industry and media, and enable Norfolk Island to tap new markets; however, the impact of this alone in attracting more overall arrivals is likely to be marginal simply because of scale
- investing in the site-specific promotion of KAVHA in source markets (for example, through cross-promotional opportunities with the Australia Convict Sites), might have a positive, but arguably minor influence in driving *additional* ‘convict heritage enthusiast’ traffic to Norfolk Island, as most will likely be familiar with Norfolk Island and have considered or made a decision to travel or not travel.

There is insufficient data to model these example scenarios, and their influence on growing visitor numbers to Norfolk Island is expected to be low, but they are noted nonetheless.

Increasing per person spend at KAVHA

The second option for enhancing KAVHA’s contribution to the Norfolk Island economy — increasing per person visitor spend on site — can be achieved through a combination of:

- 1 improving the KAVHA visitor experience, which can extend the length of time spent on site, and also, as discussed above, stimulate growth in visitor numbers (both scenarios can lead to an increase in overall expenditure if there are spending opportunities)
- 2 applying an entry fee that reflects the market value of the visitor experience, and as introduced above, as a means to fund visitor experience enhancements
- 3 providing commercial opportunities for businesses to operate visitor experience products and services on site that generate revenue for KAVHA and local businesses.

A range of revenue-generating ideas have been raised over the years, including those documented in the *KAVHA Heritage Management Plan* and draft *Concept Plan for a Master Plan*. This section draws on such previous work, as well as recent stakeholder consultations, to document key findings around commercial opportunities.

Providing new commercial opportunities

Enabling new visitor experiences — that respond to market demand — to be established at KAVHA by local businesses will stimulate visitors to spend more time and money at the site. Under commercial partnerships, this provides revenue opportunities for both KAVHA and the partner businesses, thereby supporting local economic development.

The following are a range of commercial opportunities suggested for development at the KAVHA site. Whether these products are developed and delivered by KAVHA — similar to the Port Arthur Historic Site model — or by commercial operators via a

licensing agreement — similar to some National Park models — or a combination of both options, is a matter for consideration by the governing authority.

Developing accommodation in existing (but upgraded) structures

Stakeholder-generated ideas for accommodation range from a small to medium size boutique hotel or dormitory accommodation in the Military Barracks, to bed and breakfast or self-contained accommodation in the properties along Quality Row. There are early indications of market potential to develop accommodation that appropriately reflects the site's heritage at a high-quality (but not necessarily luxury) standard, but a number of steps are required before determining whether this is a viable revenue opportunity for KAVHA.

- Undertake a detailed market demand assessment to identify the scale and type of accommodation that will best meet market gaps/opportunities. This will need to identify whether market potential lies in B&Bs, self-contained residences, a serviced boutique hotel, or dorm-style accommodation, as well as expectations about the style, standard and price-point of accommodation that would attract guests.
- Identify buildings that might meet market demand findings, and determine whether any heritage building implications or known issues preclude them from further consideration and whether their potential for development into accommodation should be explored.
- Undertake preliminary research amongst investors in similar heritage accommodation (for example, Brickendon and Woolmers Estate, Accor Hotels at Quarantine Station Sydney, Sydney Harbour Federation Trust on Cockatoo Island) to canvas insights on management and operations before taking any decision to proceed with a feasibility study.
- Undertake preliminary research on potential investors in a public private partnership for an accommodation offer in KAVHA, before taking any decision to proceed.
- Develop a shortlist of preferred options for a feasibility study and prepare a business case, including operating options.
- Determine terms and conditions of commercial use if to be managed by an external operator.

Developing food and beverage outlets

The addition of a food truck, café and/or restaurant would not only improve the overall appeal of the site and provide more reasons for visitors to stay longer/return, but would also directly generate visitor revenue for the operator, be it KAVHA or other if under a commercial arrangement. A number of existing buildings have been proposed by stakeholders as possible café/restaurant locations, including the Pier Store, REO, Quality Row houses, Surgeons Quarters and Government House. New/redeveloped sites have also been proposed (for example, the Salt House).

The nature of any food and beverage outlet at KAVHA will be driven by the financial viability of the various possible operating options. Clearly, turnover must be sufficient to cover costs and earn an appropriate return to (any) investment and entrepreneurial endeavour. In basic terms:

- turnover — will be a function of the number of people going to KAVHA and the share of those tourists who become patrons at the café, and the (average) spend per café patron
- costs — will be a function of the number of days the café is open and hours open per day, the number of staff on at any one time, cost of inputs etc, fit-out or construction costs, commercial arrangements with the KAVHA governing authority (for example, whether the café is owned and operated by KAVHA or tendered out to a private sector operator, and if the latter, percentage of turnover going to KAVHA, fixed payment to KAVHA etc).

Cafés at several other Australian Convict Sites suggest mixed results in terms of converting site visitors into café patrons. s47G(1)(a) report that around 10 per cent of site visitors become patrons of the café. The 10 per cent conversion rate is probably lower than could be expected at KAVHA due to the absence of other food and beverage venues in the Kingston area. The café at s47G(1)(a), which would more closely reflect the situation at KAVHA in terms of proximity to other food and beverage providers, achieves a conversion rate of around 50 per cent.

With an estimated 24 500 tourists visiting KAVHA in 2017-18, these conversion rates would see between 7 (10 per cent conversion rate) and 35 (50 per cent conversion rate) patrons attending a KAVHA café (on the average day). There is also the potential for Norfolk Island residents and people working locally to visit the café, and for visitors to return to KAVHA numerous times (these possibilities have been overlooked).

s47G(1)(a)

Table 5.6 shows potential annual turnover at a KAVHA café under various patron number and average spend profiles.

5.6 Potential turnover at a KAVHA café

Café conversion rate	Number patrons	Average spend per café patron				
		\$5	\$10	\$15	\$20	\$25
Per cent	People	\$	\$	\$	\$	\$
10	2 451	12 253	24 506	36 759	49 012	61 265
25	6 126	30 632	61 265	91 897	122 530	153 162
50	12 253	61 265	122 530	183 795	245 060	306 324
75	18 379	91 897	183 795	275 692	367 589	459 487
100	24 506	122 530	245 060	367 589	490 119	612 649

Source: CIE.

The turnover required by a KAVHA café is difficult to determine, as there are numerous factors affecting the running costs and which cannot be determined beforehand.

However, some indication of required turnover can be arrived at using the 'thirds approach' rule of thumb, which sees one third of turnover being used to pay for labour, one third to cover production inputs, and one third being the return to investment and entrepreneurial endeavour. If labour costs \$20 per hour, and the café was open 360 days per year and 8 hours per day (with 30 minutes required before opening and after closing

for set-up/close down etc), and with only the one staff member working, then the required turnover would be around \$195 000 per year.

With an assumed average spend of \$10–\$15 per café patron ^{s47G(1)(a)} [REDACTED], around 75 per cent of visitors to KAVHA would need to go to the café for it to be financially viable.

There are obviously many uncertainties behind the turnover and required turnover calculations. Determining viable options for a café/restaurant would require a detailed feasibility study of a shortlist of venues, patronage, as well as formal commercial use terms and conditions.

Encouraging new attractions/visitor experiences to establish on site

Inviting new attractions, culture-based experiences or other tourism-related businesses (for example, art galleries, local markets, cultural centres) to establish on site under a commercial arrangement would generate revenue from visitors for both the operating business (from sales) and KAVHA (from lease arrangements). This would however require the identification of suitable venues and investment in upgrades to make them suitable for lease.

Developing new tours and visitor experiences

New tours and experiences could be developed in response to market demand by KAVHA or through another operator under a commercial arrangement. There is evidence that exclusive experiences, such as behind-the-scenes tours, archaeological tours/activities, special dining experiences etc attract a premium price. KAVHA is not currently tapping into this revenue opportunity.

Optimising the special event market

KAVHA hosts many special events; from community events (free to the public), to events that are commercially operated, and private events. The opportunities from this market could be further explored to identify revenue potential from existing/new event-related opportunities.

Introducing a Commercial Use Policy

The above commercial options require a KAVHA Commercial Use Policy.

Although stakeholder consultations have indicated significant resistance to the idea of 'commercialising' some activities at the KAVHA site, conversely, they highlighted strong opinions that a more commercial approach to managing the site is needed to:

- ensure businesses that benefit from the site, such as tour operators, food and beverage providers, or event organisers, pay a fair contribution and adhere to a code of conduct
- facilitate tourist contributions to the attraction that they would expect to pay elsewhere
- encourage new and better products and services on site that can be enjoyed by both locals and tourists.

There is an urgent need for an up to date Commercial Use Policy for KAVHA, which would guide decisions around all commercial activity, including tour operations, events, new business opportunities, and other activity with commercial purpose (for example, photography and filming). Once such a policy was in place, decisions could be taken by the prevailing governing authority about which opportunities amongst the many ideas raised over the years, should be explored further. Appendix B features a summary of relevant insights from other sites in Australia regarding their Commercial Use policy, with a focus on operating tours, food outlets, or special events on site.

Economic impact of improved commercial opportunities

The commercial opportunities identified above have the potential to see visitors to KAVHA increasing their (per person) expenditure. The extent of any increase in expenditure is however unknown, as this will depend on the commercial opportunities availed of and how visitors respond.

Some stylised modelling simulations have been undertaken to show the economic impact of increased visitor expenditure. Table 5.7 shows the estimated economic impacts of a 5, 10 and 20 per cent increase in total visitor expenditure in year 2019-20 and onwards (above that which was estimated to occur under the Visitor Pass scenario). Broadly speaking, a 1 per cent increase in total visitor spend equates to an around 1 per cent increase in GTP.

5.7 Economic contribution of greater visitor expenditure (real 2015-16 \$ terms)

Metric	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Increased visitor spend (5%)										
GTP	78	80	88	89	92	93	95	97	99	101
Wages	37	38	42	43	44	44	45	46	47	48
Con.	49	50	55	56	57	59	60	61	62	63
Increased visitor spend (10%)										
GTP	78	80	92	94	96	98	100	102	104	106
Wages	37	38	44	45	46	47	47	48	49	50
Con.	49	50	58	59	60	61	62	64	65	66
Increased visitor spend (20%)										
GTP	78	80	100	102	105	106	109	111	113	115
Wages	37	38	48	49	50	51	52	53	54	55
Con.	49	50	63	64	65	67	68	69	71	72

Source: Norfolk Island Economic Model simulations.

6 *KAVHA governance arrangements*

KAVHA is a large site with complex issues relating to its governance. At present, there is no single body with governance authority over KAVHA. Rather, a number of bodies have responsibilities over different aspects of site management. For example, while the Department of Infrastructure and Regional Development has decision-making authority over conservation issues, the works crew is employed by the Norfolk Island Regional Council and not DIRD. The previous and current governance arrangements have not allowed for and obstructed appropriate management of the site.

There is broad consensus among stakeholders that addressing the issues faced by KAVHA necessitates a change in governance. This is partly motivated by observing the successful and effective governance arrangements for the Port Arthur Historic Site. A number of superior governance options exist. Establishing a statutory body with decision-making authority over KAVHA could enable a number of pressing issues to be addressed. However, such an authority may not be necessary if funding is provided only for conservation at KAVHA, and not for enhancements to the visitor experience.

Previous governance arrangements

A non-legislative KAVHA authority was established under a Memorandum of Understanding (MOU) between the Norfolk Island Administration and the Commonwealth Government in 1989; with the MOU being revised in 1994. The MOU has no legislative basis.

These arrangements were reviewed in 2009 by the Attorney-General's Department.³¹ The review identified significant issues with KAVHA's management, including an outdated MOU, a limited Advisory Board, and no cohesive entity managing the site.³² However, since this review the governance arrangements for KAVHA have remained largely the same, and these significant issues still remain.

The 1989 MOU developed a cost-sharing formula between the Commonwealth and the Norfolk Island Administration. However, the cost sharing formula appears not to have been followed. Rather, the annual funding of around \$600 000 from the Commonwealth

³¹ Attorney-General's Department, 2009, *Kingston and Arthurs Vale Historic Area: Governance review*, available at: <https://www.ag.gov.au/Consultations/Documents/KingstonandArthur%27sValeHistoricAreaGovernanceReview/KAVHA%20Review%20report.pdf>

³² Attorney-General's Department, 2009, *Kingston and Arthurs Vale Historic Area: Governance review*, p.6.

and \$300 000 from the Norfolk Island Administration appear to be based on funding estimates for the original works program (devised around 1983) and indexed over time.³³

Table 6.1 below shows the KAVHA cost sharing formula agreed to under the 1989 MOU.

6.1 KAVHA cost-sharing formula under Memorandum of Understanding

Works in KAVHA	Commonwealth Government	Norfolk Island Government
	Per cent	Per cent
Repairs and maintenance of restored buildings and structures	100	0
New stabilisation works and Management Board costs	50	50
Interpretative works	33	67
Day-to-day maintenance of Area, maintenance costs of interpretative works and tourist facilities	0	100

Source: Attorney-General's Department 2009, *Kingston and Arthurs Vale Historic Area: Governance review*, p.97.

Current governance arrangements

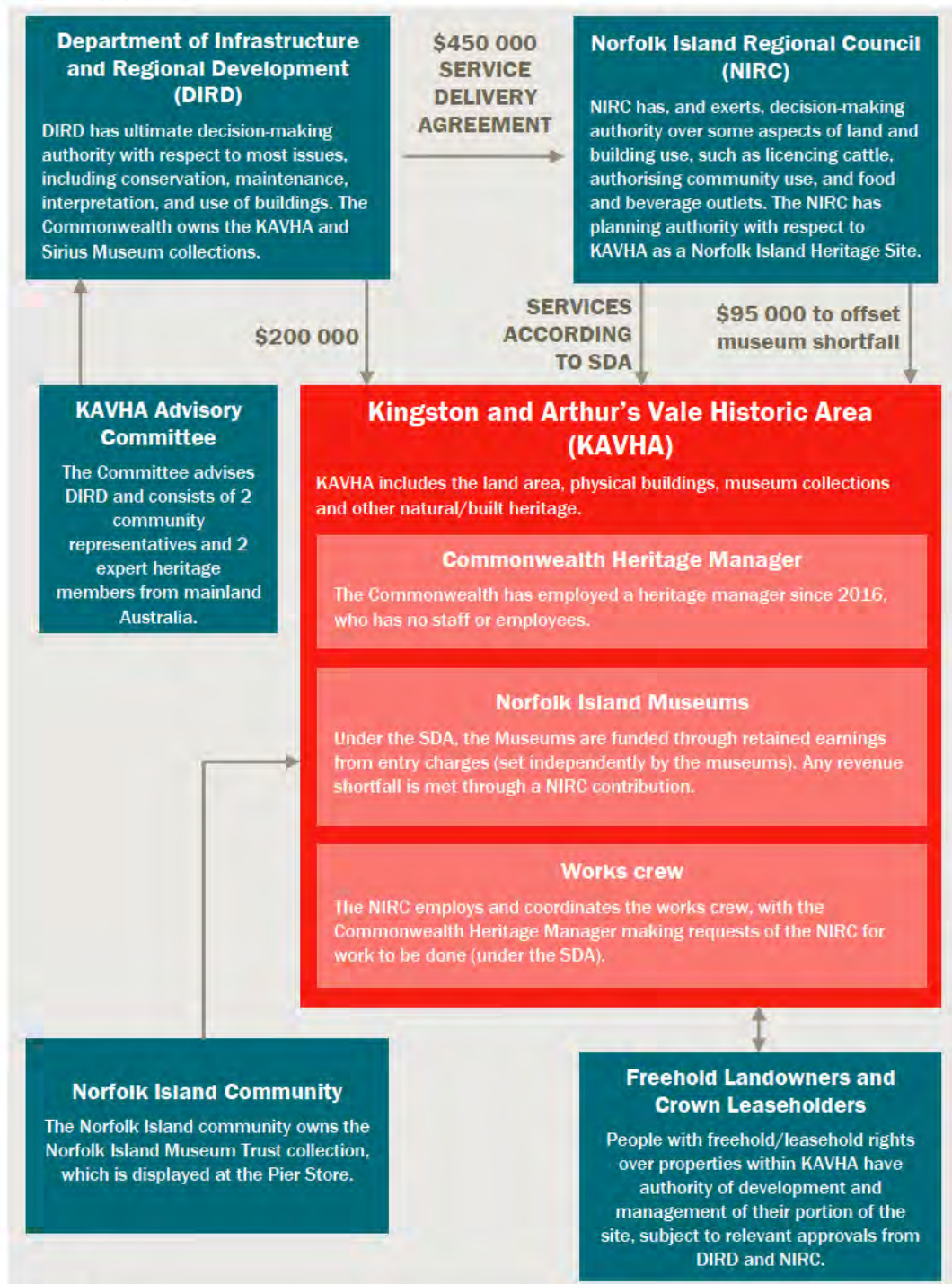
Figure 6.2 shows the different bodies that are involved in the current management of KAVHA, their respective responsibilities and funding flows between them in 2016-17.

There is no single piece of guidance or legislation that establishes these areas of authority. In some sense, the authority of the Commonwealth to make decisions about KAVHA extends to the limits of authority granted by the Australian Constitution and the Service Delivery Agreement (SDA); to the extent the SDA limits Commonwealth power over matters the SDA has regard to.

Thus, the view of authority portrayed in figure 6.2 is the outcome of consultations with various stakeholders and an evaluation of which areas of KAVHA management have been within the scope of their decisions. That is, the current arrangement has been institutionalised, rather than been defined by legal authority.

³³ Attorney-General's Department 2009, *Kingston and Arthurs Vale Historic Area: Governance review*, p.41.

6.2 Important KAVHA bodies



Source: CIE.

Difficulties created by the current governance arrangements

There is no single management body with overarching responsibility for KAVHA. This creates difficulties for the use and management of the site. Box 6.3 summarises the variety of difficulties that are created by the current management environment.

6.3 Limitations with the current KAVHA governance structure

Area of management	Impacts caused by ineffective governance
Conservation and preservation	It is hard to ensure that the site is being conserved appropriately because responsibility is not consolidated in one body. Problems that have arisen include the following. - Reeds have been introduced to the Watermill Creek channel in an attempt to turn it into a wetland environment in order to attract birdlife. This has negative impacts for the buildings and site and historic engineering works, including causing damage to the bridge near the Sirius Museum. - Buildings have humidity problems, which threatens the integrity of the museum collections. - Some decisions have been made by people who may lack appropriate training. For example, the NIRC, which manages the KAVHA works crew, may need to make decisions about the relative merits of requests for work by the Commonwealth Heritage Manager and responsibilities/priorities of the works crew over other council matters. - The KAVHA Advisory Committee is only advisory in nature and does not have authority nor a structure to work through, so it can sometimes take considerable time for things to flow from advice to action. These and other preservation issues generally arise because of a lack of funding and staff. The Commonwealth Heritage Manager has no staff or employees.
Works crew	The Commonwealth Heritage Manager, despite being the primary person responsible for conservation-related decision making, does not have direct control over the works crew. The Works Crew are employed by the NIRC. There has been a loss of skills in the works crew. The works crew was historically perceived as being highly skilled both with regard to trades and preservation skills. However, retirement of some crew members, the changes in Norfolk Island governance, and a breakdown in communication between affected works crew members and DIRD/NIRC has led to a loss of skills. Because the works crew is not reporting to a single KAVHA body, it is hard to ensure/achieve sufficient skills and knowledge transfer to the next generation of works crew.
Visitor experience	Any revenue generated on-site cannot be retained by KAVHA, and must be returned to consolidated revenue (of the Commonwealth Treasury or Norfolk Island Regional Council). This does not allow for visitor charges to be levied and revenue retained to fund spending on improving the visitor experience. The lack of a cohesive governance structure makes it difficult to address the following contentious management issues that can affect the visitor experience. - The cows on-site cause some damage to the site buildings, waterway and landscape. Stakeholder consultations indicated that the number of cows on-site exceeded the carrying capacity of certain areas of KAVHA. However, the grazing cows may reduce lawn-mowing costs. - Locals and visitors alike park in many locations on-site, and tour buses often park on top of First Settlement ruins near Kingston Pier. The presence of cars may interfere with tourists taking photos and their immersion in experiencing the site and history. However, locals have an ongoing expectation of unrestricted parking at the site. A cohesive management authority would be best placed to address these issues. One exception to the issue of revenue being kept within the organisation relates to Norfolk Island Museum(s). The Museum independently decides on its ticket prices and uses its revenue to fund its activities on a cost-recovery basis (per the Service Delivery Agreement). In practice, however, the Museum has not been able to fully recover costs, with the shortfall funded by NIRC (and hence the wider Norfolk Island community).

Area of management	Impacts caused by ineffective governance
Approvals for commercial and other activities on-site	A number of proposals regarding commercial activity on-site or other uses have been hindered, or there is a perception among stakeholders that getting uses appropriately approved is overly difficult. - Changing the use of the buildings on Quality Row into accommodation has been considered among certain stakeholders. Many believe that doing so would be difficult both because of conservation issues and because there is not a clear governance structure with decision-making authority with regards to this issue. It appears that decision-making authority in this instance rests entirely with DIRD, however the policy for determining use of the building is not transparent. - Community events held within the KAVHA area, including use of site structures, are subject to NIRC approval, which can be granted without input from the Commonwealth Heritage Manager. - The NIRC Conservator of Reserves can (and does) grant approvals for activities in KAVHA without reference to the Commonwealth Heritage Manager.
Dealings with freehold and leasehold land	Freehold and leasehold landowners may face difficulties in getting changes to their properties approved by Norfolk Island Regional Council or DIRD. On the other hand, there may be insufficient oversight regarding these changes to properties which form part of the World Heritage Listing despite being under private control. Dealing with freehold and leasehold land are expected to become more complex as usage of the site increases over time. Given that current site visitation is low relative to other Australian Convict Sites of similar scale (such as Port Arthur Historic Site), challenges in dealings with landowners do not appear to be frequent.

Source: CIE.

Potential governance arrangements

Potential governance arrangements for KAVHA should be guided by principles of good governance. Some aspects of governance arrangements that would promote effective management of KAVHA are described below.

- One KAVHA — there should be a single point of authority or entity with overall responsibility for KAVHA's management and which approves all site activities and events.
- Consultative and involving participation from a wide range of stakeholders — this participation would not need to be direct (that is, with members being on a statutory board), but could be through Advisory Committees reporting to board members.
- Expert knowledge — stakeholder consultations suggested that heritage conservation, tourism promotion, financial and governance expertise would be necessary to ensure good decision-making. Stakeholders also suggested that board appointees should not be current/recently elected government officials, as this would overly politicise the governance authority and compromise the reality or perception of independence.
- Transparency — decision-making should be clearly documented and justifiable. Stakeholder consultations indicated concern at a lack of transparency under current arrangements.
- Greater visibility — the current governance structures are opaque and not visible to many stakeholders. It is often unclear from which body stakeholders require approval for commercial activities on-site, or who has decision-making and funding authority for conservation works.

- Appropriate scale — governance and administrative demands of KAVHA should be commensurate with the scale of KAVHA's operations.

If a single Commonwealth government body is to be responsible for the governance of KAVHA, then there are a number of options as to the type of body. Appendix C describes the options for governance at a high level and assesses their suitability for management of KAVHA.

Future governance arrangements for KAVHA

The governance structure best suited to KAVHA going forward is largely dependent on stakeholders' ambitions for the site.

If future expenditure at KAVHA is to be limited to site conservation and interpretation, at either the (minimum) standard required under World Heritage listing obligations, or at the (higher) standard that is consistent with Australia's desired image for heritage conservation, and such funding is met solely by the Australian Government, then KAVHA could probably 'get by' with minor amendments to the current governance arrangements.

As was noted in box 6.3, the current governance arrangements have many limitations and are a long way from ideal. Perhaps the greatest limitation is that the 'success' of KAVHA is purely dependent on the personalities and interpersonal skills of the current Commonwealth Heritage Manager and key people within the NIRC. Turnover of personnel, or a change to the current working relationship, clearly poses a risk to site conservation going forward.

If only site conservation and interpretation is being contemplated, then, at a minimum, the following broad amendments to the current governance arrangements are needed:

- the KAVHA works crew are employed by the Australian Commonwealth and report to the Commonwealth Heritage Manager at KAVHA³⁴
- KAVHA to have responsibility for the various museum collections (noting the relationship between KAVHA and the Norfolk Island Museum Trust collection is to be decided), in effect giving rise to a 'one KAVHA' type arrangement
- approval is needed from the Commonwealth Heritage Manager for all on-site activities that have the potential to impact site conservation and interpretation, with input being sought from the Commonwealth Heritage Manager on other on-island activities that have the potential to impact KAVHA.

The required governance arrangements become more complicated if KAVHA is to generate and retain revenue for reinvesting in the site and further improve conservation and the visitor experience. If the KAVHA site is to generate and retain revenue, then a

³⁴ One source of complexity in making this change is that the current Enterprise Agreement for the Department of Infrastructure and Regional Development does not include appropriate job classifications to enable the employment of the works crew. There may be opportunities for DIRD to revise/amend the current Enterprise Agreement, which is preventing the direct employment of specialist trades staff within DIRD.

government business enterprise (GBE), statutory trust or corporate entity such as the Director of National Parks³⁵ which is able to collect, retain and invest revenue is needed.

Whatever governance structure is used — whether it is a state or Commonwealth GBE, or a statutory authority/corporate entity such as the Director of National Parks — rapid changes to visitation or cost recovery of the site are not likely. PAHSMA was created in 1987 and required over 30 years to become as successful as it is today. Stakeholder consultation suggested that opportunities exist for a formal mentoring relationship between KAVHA and PAHSMA or the Australian National Maritime Museum (informal mentoring is already ongoing in some areas). A formal mentoring arrangement could potentially allow for a faster transition to effective governance and greater cost recovery at KAVHA than was the case at the Port Arthur Historic Site.

³⁵ See *Environment Protection and Biodiversity Conservation Act 1999 [Cth]* Part 19 s514.

7 *Challenges facing Norfolk Island tourism*

This study presents the view that:

- investing in the visitor experience at the KAVHA site may add to the overall appeal of Norfolk Island, but on its own will not be sufficient to drive a significant increase in overall visitor traffic to the island and economic activity
- increasing tourist arrivals to Norfolk Island will take a refocused, destination-wide, multi-stakeholder commitment to overcome or work around challenges, and achieve a shared objective of improving the wider tourism offer.

The challenges facing the Norfolk Island tourism industry have been well documented over many years, yet despite the tourism plans and continued efforts, critical barriers remain to growing destination demand. These can be summarised as follows:

- accessibility constraints
- tourism offering constraints
- local infrastructure constraints
- marketing constraints.

If all, or at least most of these constraints could be overcome, tourism demand for Norfolk Island would likely grow. Of course, removing all impediments is an idealistic notion. However it is valuable nonetheless to:

- consider all of these constraints
- investigate the root causes of them
- determine what — if any — solutions might exist to overcome those root causes
- identify which stakeholders have the mandate and will to provide required solutions
- conclude whether there is sufficient destination-wide commitment, to enough solutions, that can address demand barriers and grow the Norfolk Island visitor economy.

Table 7.1 outlines a framework for guiding this process. Whilst it is beyond the scope of this study to undertake such an analysis, the table is populated with preliminary findings about root causes of demand constraints. For example, there is limited tourism development and marketing capacity on island, simply because of the size of population. There is also anecdotal evidence that some tourism businesses simply do not have the will to change, while others do, but face constraints such as lack of access to skilled labour, or financial capital. Further research (such as via an enterprise survey and market demand study) could inform the completion of this analysis and enable stakeholders, including DIRD, to identify areas of investment/reform/support for growing the Norfolk Island visitor economy.

7.1 Norfolk Island and tourism growth – a framework for identifying possible root causes and feasible solutions

Barriers to Growing Tourism Demand for Norfolk Island (and degree to which they constrain overall market growth – H/M/L)		Possible Root Causes (Based on preliminary insights; yet to be validated)	Solutions (Examples only; root cause tbd first)
Access	▪ Uncompetitive air fares	H	Requires discussion with airlines to identify issue/s & untapped solution/s.
	▪ Infrequency of flights	H	
Tourism Offering	▪ Uncompetitive destination offer re price, quality and depth (that is, poor value for money).	H	▪ To be determined by all stakeholders after root cause analysis completed. ▪ Product development or marketing advice/resources support for owners? ▪ Regulatory reforms / incentives for investors? ▪ Investment promotion campaign? ▪ Program with commercial bank to improve financing proposals / increase tourism lending? ▪ Like-for-like grant program to stimulate tourism investment. ▪ Island-wide tourism accreditation program? ▪ Note some constraints (for example, will) cannot be solved by an intervention
Accommodation	▪ Insufficient supply of accommodation to grow market base (that is, quality and size).	H	
Retail Outlets	▪ Lack of shopping options with products that appeal to contemporary travellers ▪ Inconsistent and limited opening hours.	L	
		L	
Restaurants	▪ Lack of quality options at peak times. ▪ Inconsistent and limited opening hours	M	
		M	
Tours	▪ Inconsistency of tour experience (isolated cases of quality issues → visitor dissatisfaction → NI brand damage)	L	
Attractions/Other Experiences	▪ Inconsistent availability of (promoted) experiences, for example, adventure, food & wine.	M	
Local Infrastructure	▪ Poor roads	L	
	▪ Limited and expensive ICT services	L	
Destination Marketing	▪ Weak and confused destination brand ▪ Insufficient marketing (volume, nature, consistency of activity/messaging)	H	▪ Requires discussion to identify issue/s & untapped solution/s?
		H	
		H	

Source: CIE.

In the meantime, there are some obvious issues/gaps that DIRD could address or facilitate responses to, which could indirectly contribute to more favourable conditions for strengthening the Norfolk Island visitor economy. These include:

- limited on-island capacity for destination development and marketing, and tourism product development and marketing:
 - arrange for specialist tourism advice to be offered to Norfolk Island Tourism, from Tourism Australia (TA) or via state offices, in the form of a secondment/s (pending NIRC's willingness to accept such support)
 - investigate the opportunity for TA/a state tourism office to offer a tourism industry workshop/s on island for product development and marketing capacity building (pending industry's willingness to accept such support)
- limited marketing budget
 - facilitate better profiling of Norfolk Island/KAVHA on the Tourism Australia and Parks Australia websites
 - initiate cross promotional opportunities with other convict heritage sites
- lack of Norfolk Island visitor arrival statistics
 - work with Border Force and NIRC to remedy the loss of visitor arrival data collection, which is now limiting the local industry in its marketing efforts and creating animosity
- lack of understanding of the root causes of tourism demand constraints
 - consider facilitating a tourism sector assessment of constraints and opportunities via tourism enterprise surveys and market demand analysis, with a view to stakeholder-wide plan of action (pending the industry's willingness to do this, and the leadership by the organisation with the mandate to this).

Beyond these remedial suggestions, a holistic approach is critical for any meaningful change to tourist numbers and revenues on Norfolk Island. Isolated interventions that fail to address the root causes of binding constraints or interdependent barriers, could be a wasted investment. For example, the Australian Government could offer marketing support in the form of funds, but that may not generate more tourists if the marketing strategy is not strengthened or if the available product does not underpin the brand promise. Alternatively, it could offer marketing or product development support in the form of expertise, but there may not be the will to take external advice. Or, the Australian Government could offer investment promotion support, but there may be overwhelming binding constraints to investment.

Interventions need to be designed to solve problems, and those problems need better definition.

8 Conclusions

Tourism underpins economic activity on Norfolk Island, and while KAVHA is an important part of the wider tourism offering, KAVHA itself accounts for around 10 per cent — or some \$6.3 million — of island GTP. The low contribution of KAVHA to economic activity reflects the fact that a small proportion (16 per cent) of tourist visits to Norfolk Island occur solely because of KAVHA.

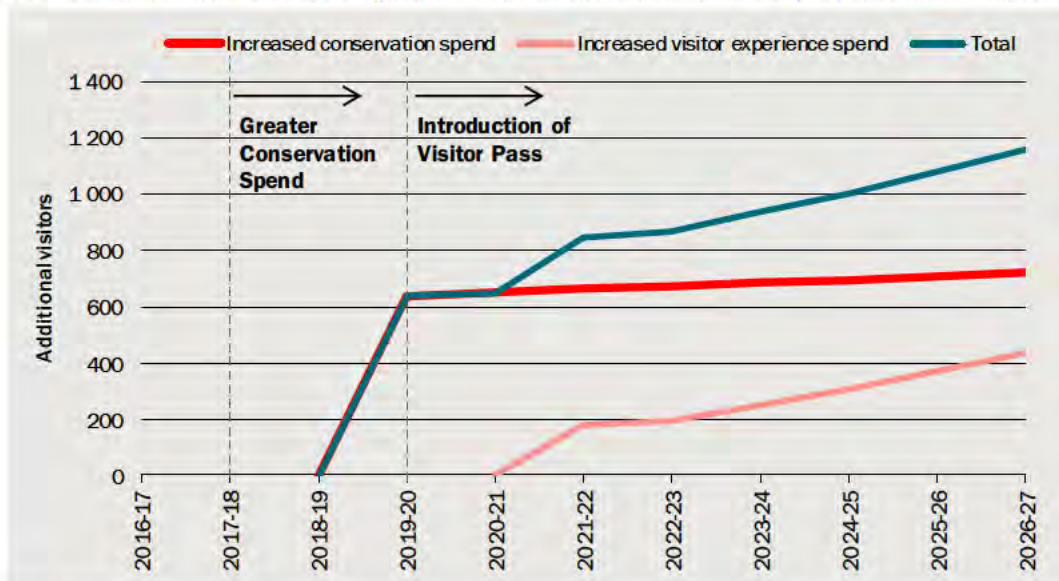
KAVHA as a source of economic activity

For a number of years, KAVHA has been underfunded. This has led to a site conservation program that is only treading water, with interpretation being virtually non-existent. KAVHA is not of a comparable standard to the other Australian Convict Sites on the serial World Heritage Listing. While a detailed costing of required site maintenance and interpretation services has not been prepared, extrapolation of previous maintenance budgets suggests conservation funding in the order of \$1.3 million per year (in real terms) would be appropriate. Any required capital expenditure (capex) would be in addition to the conservation funding.

The increase in conservation and interpretation funding is expected to improve the quality/standard of the conservation effort, which in turn could be expected to see KAVHA attracting additional tourists to Norfolk Island. If the findings from a 2009 study into the relationship between conservation funding and visitor numbers at the Port Arthur Historic Site apply equally to KAVHA, then raising the conservation funding at KAVHA from the current \$650 000 to \$1.3 million could see up to another 640–720 tourists visiting Norfolk Island each year. However, this impact is highly uncertain.

Similarly, an improved visitor experience, funded through a KAVHA Visitor Pass, could see an additional 180–440 people visiting Norfolk Island each year. Chart 8.1 shows the estimated impact of greater conservation spend and visitor experience spend on visitor numbers to Norfolk Island. Improved commercial opportunities at the KAVHA site have the potential to increase spending per tourist, which would provide another source of economic stimulus.

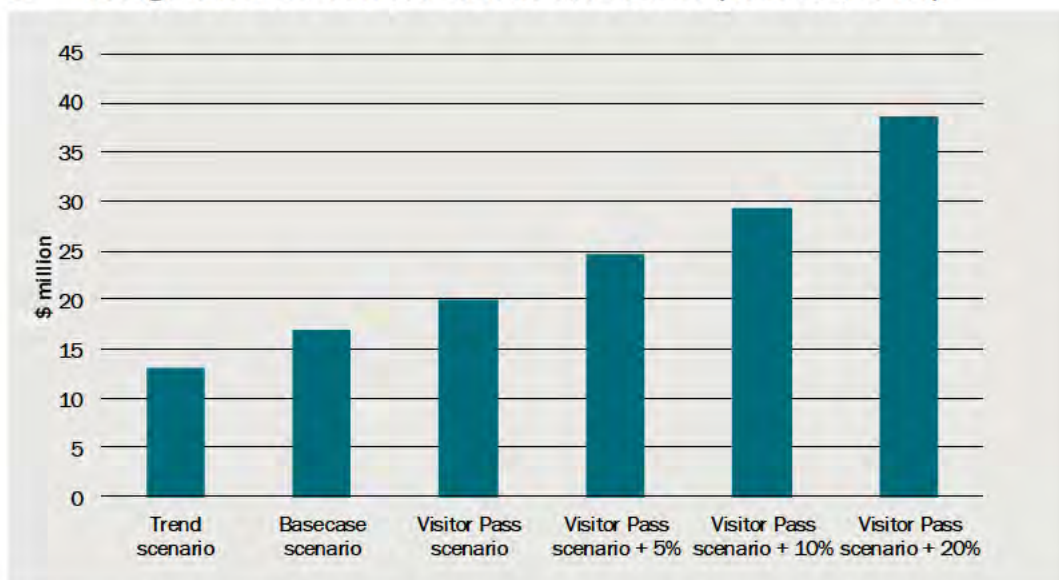
8.1 Visitor numbers with improved conservation and visitor experience at KAVHA



Data source: CIE.

Greater expenditure at the KAVHA site, plus an increase in tourist numbers and spend per tourist will combine to see Norfolk Island's GTP being higher than otherwise. As can be seen from chart 8.2, economic modelling suggests that GTP could be anywhere between \$13–39 million higher than today by 2026-27, depending on what reforms are implemented.

8.2 Change in real GTP between 2017-18 and 2026-27 (2015-16 \$ terms)



Data source: Norfolk Island Economic Model simulations.

The Norfolk Island tourism offer

An increase in tourist numbers and visitor spend is, however, subject to some important caveats.

- There is a need to improve the 'visitor experience' at KAVHA for it to be positioned at the level expected from a tourist attraction with World Heritage status.
- The visitor experience can be improved through a number of measures, including:
 - better interpretation
 - better range of offerings (things to see/do, for example, tours, cafés, other attractions)
 - better quality of offerings (especially tours).
- Improving the visitor experience is expected to only marginally contribute to more visitors to Norfolk Island, because in isolation KAVHA has limited influence on visitor numbers:
 - KAVHA is only one reason most tourists travel to Norfolk Island, with 16 per cent of tourists reportedly visiting for KAVHA alone
 - the convict heritage enthusiast market is limited, and changes to KAVHA are unlikely to influence the decision to travel of those already interested in its convict heritage appeal
 - there are many other improvements needed to increase Norfolk Island's destination appeal, and drive more tourists, including improvements to:
 - ... accessibility
 - ... overall tourism offer (product and services)
 - ... infrastructure
 - ... marketing.
- Whilst beyond the scope of this project, and indeed the mandate of DIRD, it should be noted that the Norfolk Island visitor economy/tourism industry will continue to face barriers to market demand unless all stakeholders collaborate on investing in improving the above 'pieces of the tourism puzzle'. Current constraints to this include:
 - an apparent lack of will on behalf of some tourism operators
 - lack of capacity (tourism knowledge/skills)
 - lack of capital
 - other barriers (a holistic analysis of barriers, and the root causes, is necessary to properly define the problems and solutions).

Governance arrangements

All stakeholders consulted during the course of this study suggested that the current governance arrangements were failing KAVHA, and that the governing authority needs to be structured along the lines of a statutory authority or GBE.

The current governance arrangements have numerous limitations. However, whether a complete overhaul of the governance arrangements is needed is largely dependent on stakeholders' ambitions for the site.

If future expenditure at KAVHA is to be limited to site conservation and interpretation, and such funding is met solely by the Australian Government, then the current governance arrangements would probably suffice with some minor amendments. For

example, having the KAVHA works crew reporting directly to the Commonwealth Heritage Manager, combining KAVHA and the museums under the one umbrella, and having the Commonwealth Heritage Manager being the final decision maker with respect to all activities that have the potential to impact site conservation and interpretation.

However, if KAVHA is to generate, retain, and independently decide where to invest revenue in order to improve conservation and interpretation, then a change of governance arrangements will be required.

Timing

Given the current conservation and interpretation needs at KAVHA, it is suggested that conservation funding be increased as soon as practical. The economic modelling assumed that the conservation spend was increased to \$1.3 million in 2017-18, with the resulting increase in visitor numbers due to the improved conservation occurring two years later.

The timing of the KAVHA Visitor Pass, and the price at which the pass is introduced, is subject to numerous considerations, most notably the tourism industry lead time standard of up to two years between announcement and introduction of new fees/charges. Hence at best, the KAVHA Visitor Pass could not be introduced prior to 2019-20.

This timing would give DIRD two years to establish the revised governance arrangements, develop a Commercial Use Policy for KAVHA, prepare the Visitor Pass (including setting the price, planning logistics and developing materials), identify (costed) options for improving the visitor experience, and communicate the changed arrangements to industry on-island and off-island stakeholders.

A Stakeholders consulted

The table below identifies the stakeholders consulted during the course of the study.

A.1 Stakeholders consulted

Name	Position
Australian Convict Sites Steering Committee (AC SSC)	
s47F	Kingston and Arthur's Vale Historic Area
s47F	Hyde Park Barracks
s47F	Port Arthur Historic Site
s47F and staff on-site)	Cockatoo Island Convict Site
s47F	Fremantle Prison
s47F	Chair, Australian Convict Sites Steering Committee & Woolmers Estate
s47F	Old Government House and Domain
s47F	Department of Environment and Energy, Assistant Director, Historic Heritage Section
Department of Infrastructure and Regional Development (DIRD)	
s47F	Commonwealth Heritage Manager
s47F	General Manager, NI Branch
s47F	Flight and visitor information
Vicki Middleton	Executive Director, LGT Division
KAVHA Advisory Committee	
s47F	Community Member
s47F	Community Member
Eric Hutchinson	Chair (and NI Administrator)
s47F	Expert Member, Director and CEO, Australian National Maritime Museum
s47F	Expert member, Lecturer in Cultural Heritage, Deakin University; PAHSMA Board Member
Norfolk Island Regional Council (NIRC)	
s47F	Group Manager Services
s47F	Heritage Team Leader
Lotta Jackson	General Manager
Robin Adams	Mayor
Other	
Cherri Buffet	President, Norfolk Island Chamber of Commerce
s47F	(Former) Member of the Norfolk Island Legislative Assembly

Name	Position
s47F [REDACTED]	(Former) KAVHA Works Crew Manager
Various members	Norfolk Island Council of Elders
Port Arthur Historic Site Management Authority	
s47F [REDACTED]	Director, Tourism Operations
s47F [REDACTED]	Human Resources
s47F [REDACTED]	Director, Conservation and Infrastructure
s47F [REDACTED]	Marketing
s47F [REDACTED]	Museums and Collections
s47F [REDACTED]	Visitor Service Manager
s47F [REDACTED]	Chief Financial Officer
Tourism Sector	
s47F [REDACTED]	General Manager, Norfolk Islands Airlines
s47F [REDACTED]	Burnt Pine Travel
s47F [REDACTED]	Governors Lodge, Norfolk Island
s47F [REDACTED]	Bauntie Escapes and TradeTravel
s47F [REDACTED]	Omniche Holidays
s47F [REDACTED]	Natural History Tours
s47F [REDACTED]	Director, Destination Management, Carnival Australia
s47F [REDACTED]	KAVHA Tour Guide
s47F [REDACTED]	Accommodation and Tourism Association
s47F [REDACTED]	Golf Club
s47F [REDACTED]	Food truck at Kingston
s47F [REDACTED]	Oxley Travel
s47F [REDACTED]	Norfolk Island Government Tourist Bureau
s47F [REDACTED]	Account Director, Unique Tourism Collection

Source: CIE.

B Considerations for KAVHA policy for commercial use

Background

KAVHA does not currently have a commercial use policy, although the site is used by tour operators and other entities to deliver products, services and events that generate business revenue. There is a strong sense amongst stakeholders of the need to introduce a commercial policy in the future encompassing, for example, the licensing of tour operators, leasing conditions for business occupiers, and hiring terms for event organisers, as is common practice for other heritage sites. During consultations, several reasons were raised for why a commercial use policy should be introduced to KAVHA, as outlined below.

Rationale for Introducing a KAVHA Policy for Commercial Use

- *Require that businesses utilising KAVHA conduct themselves in a way that upholds the integrity of the site, and the comfort and safety of visitors under their care.* The absence of any 'code of conduct' for commercial operators on site means that they can operate in a way that undermines the heritage values, puts the site at risk, or causes discomfort to customers, with no recourse. This is exemplified below in relation to tours. Self-regulation is reportedly not working, calling for the introduction of a formal system.
- *Ensure consistent and high-quality tours of the KAVHA site.* There have been numerous accounts of visitor dissatisfaction with the quality of (some) commercial tours being conducted on site. s47G(1)(a)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] it indicates there is insufficient quality control around the integrity of tour information and customer service, resulting in inconsistent, and sometimes disappointing, tours at KAVHA. This indicates the need for quality controls such as tour operator licensing and accreditation.

- *Contribute to the overall market appeal of Norfolk Island through positive KAVHA visitor experiences.* Further to the above point, negative market perceptions about Norfolk Island overall are shaped by poor reviews of individual attractions/experiences. At a time when the local tourism industry is struggling, it is critical to address any sources of visitor dissatisfaction, including the KAVHA tour experience noted above.
- *Ensure that businesses benefiting financially from the KAVHA site make a fair contribution for the privilege.* In the case of venue hire, this contribution may be a fair market price to cover operational costs and share profit. In the case of tour operators, this contribution may be by way of meeting licensing requirements, promoting the

attraction, collecting proposed KAVHA Visitor Pass fees from customers, and agreeing to invest in tour guide training.

- *Ensure that businesses wanting to utilise the KAVHA site operate on a level playing field.* The lack of a commercial policy is reportedly giving unfair advantage to some businesses over others.
- *Adhere to best practice in the use of commercial policies for heritage / protected sites.* Commercial policies, including tour operator permits/licenses, accreditation requirements, and venue hire/lease agreements are now common practices for heritage sites and national parks, for reasons related to protecting site values and assets, safety and security, and fair distribution of revenue generated by the site.

Going forward

It is recommended that a commercial policy be developed by the KAVHA governing body, with detailed terms and conditions, including fees where appropriate, for:

- licensing tour operators to operate tours onsite
- accrediting tour guides (as a condition of licensing)
- licensing tour operators to deliver special/exclusive visitor experiences
- leasing venues on site for commercial operations (for example, food carts, cafes, accommodation)
- leasing venues/spaces on site for special events (community or private)
- issuing permits for commercial filming and photography.

Designing such a policy is a detailed task that warrants development by the authority/ies that will be responsible for implementing it. Some relevant considerations are noted below.

Considerations

Drawing on relevant commercial policy models for heritage sites/national parks in Australia, there are a range of approaches that could be considered before determining the preferred approach for KAVHA. For example:

- Port Arthur Historic Site:
 - PAHSMA operates all tours, retail stores, and food and beverage outlets internally, rather than outsourcing or licensing others to operate. However, unlike KAVHA, Port Arthur has the critical mass of tourists to justify a tour program staffed by a pool of 20–30 highly-trained guides, which ensures high quality of the tour product
 - the decision to manage food and beverage outlets was reportedly taken at a challenging time in the site's history when it was difficult to attract commercial operators, but the café and restaurant are reportedly a financial burden to PAHSMA

- PAHSMA publishes venue hire fees and Filming and Photography requirements/fees³⁶
- Commonwealth National Parks (for example, Kakadu, Uluru-Kata Tjuta, Norfolk Island): The Parks Australia model includes:
 - requirement of a 'permit' for tour operators running routine tours, 1 or 3 year permits available for between \$100 and \$1500 respectively in the Northern Territory (Norfolk Island is free)
 - after 1 year, business accreditation required to obtain permit. This must adhere to Australian Tourism Accreditation Program (ATAP) or recognised bodies such as Eco Tourism Australia. A range of business management quality standards must be met. Cost varies from \$200 to \$2000 per annum depending on business size and program
 - In Kakadu and Uluru-Kata Tjuta, permits require that all guides have undertaken a park-specific knowledge course. This is offered by Charles Darwin University (~18 days at \$300 for Northern Territory residents/\$400 non-residents)
 - requirement of a 'license' for operators running non-routine 'limited or exclusive' tours, in park dining/food carts, activities at limited access site, after hours tours, use of facilities, camping/accommodation, etc. License agreements/fees are negotiated on a case by case basis and valid for 5 years (more if significant investment by operator). As activities may be limited to one operator, licenses open to a competitive tender process, unless proposed by an 'early mover'. Terms for fee payment negotiable, and could be based on: percentage of turnover; per head fee; fixed fee; or combination
 - other policies available for commercial photography, research, events, etc.³⁷
- NSW National Parks. The NPSW commercial licensing model includes:
 - requirement of a license — called an 'Eco Pass' — for commercial recreation and tour operators, which provides access to all (225) National Parks in NSW. Available for: 1 year (\$250); 3 years (\$350 subject to accreditation); 10 years (premium license subject to accreditation and type of activity). There are also competitively allocated licenses for exclusive activities. Licensees do not pay park entry fees, rather a per head amount (\$4.20 day use adults/\$2.10 short stay or concession). Reporting and payments processed quarterly³⁸
 - requirement of leasing agreements and fees for private sector to operate businesses (for example, café, accommodation) in parks. Leases are offered via (i) competitive selection process or (ii) direct negotiations for special circumstances. Generally, the

³⁶ See <http://portarthur.org.au/pahsma/venue-hire/> and <http://portarthur.org.au/pahsma/filming-and-photography/>

³⁷ More information can be found at <http://www.environment.gov.au/topics/national-parks/parks-australia/permits-licences-and-leases>

³⁸ More information can be found at <http://www.environment.nsw.gov.au/parksecopass/prospective.htm>

rent on NPWS leases may comprise a base rent plus percentage of turnover. All rents will reflect current market rates³⁹

- other policies available for commercial photography, events, other activities.

³⁹ Leasing guidelines can be found at <http://www.environment.nsw.gov.au/resources/commercial/150762-property-leasing-guidelines.pdf>

C Options for governance of KAVHA

If a single Commonwealth government body is to be responsible for the governance of KAVHA, then there are a number of options as to the type of body. This appendix describes the characteristics of these options at a high level, and assesses their potential suitability for management of KAVHA.

There are three high-level groupings of bodies, and their functions are described below.

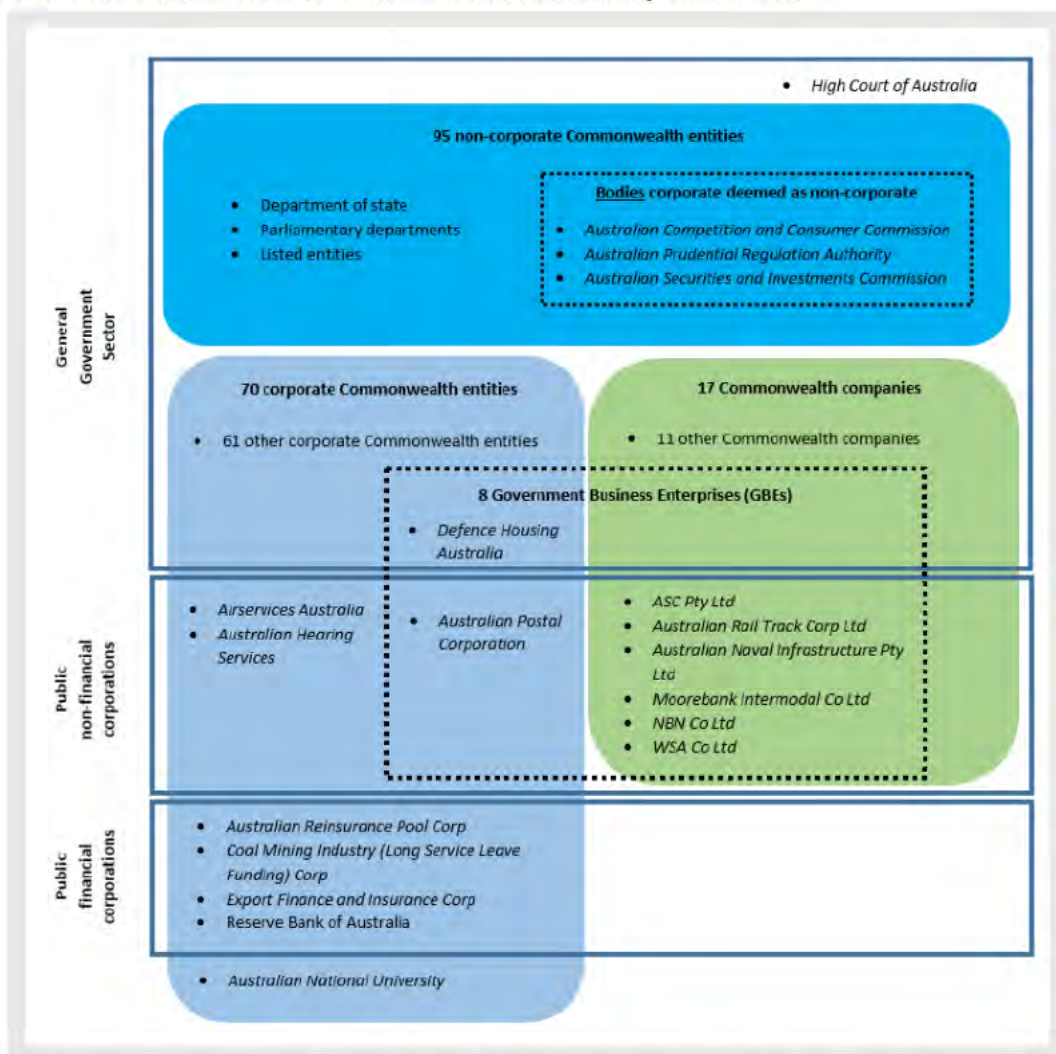
- Non-corporate Commonwealth entities — legally and financially part of the Commonwealth (for example, the Department of Infrastructure and Regional Development).
- Corporate Commonwealth entities — a body corporate with a separate legal personality from the Commonwealth, which can exercise certain rights such as entering into contracts and owning property (for example, The Reserve Bank of Australia).
- Commonwealth companies — companies established by the Commonwealth under the *Corporations Act 2001*, wholly controlled by the Commonwealth (for example, NBN Co. Limited).

There are three additional classifications of these bodies, with Commonwealth public sector being classified as follows:

- General government sector — all government units and non-profit institutions, and mainly financed by government.
- Public financial corporations sector — government-controlled corporations engaged in financial intermediation or provision of auxiliary financial services.
- Public non-financial corporations sector — government-controlled corporations engaged in production of market goods and/or non-financial services.

A GBE may be a corporate Commonwealth entity or a Commonwealth company, whether within the general government sector or the public non-financial corporations sector. Figure C.1 shows the possible Commonwealth governance structures.

C.1 Governance structures in the Commonwealth public sector



Note: The count of entities shown in the figure is indicative. See www.finance.gov.au/flipchart for the latest listing of Commonwealth entities and companies.

Data source: Department of Finance (<https://www.finance.gov.au/resource-management/governance/overview/>)

Commonwealth GBEs are generally much larger than KAVHA. Table C.2 shows the annual revenue of Commonwealth GBEs in 2015-16. These are substantially higher than the annual funding of KAVHA, which is currently around \$650 000. This suggests that it may be unsuitable as a governance structure, especially if the administration costs of this structure are higher than the benefits to KAVHA's management that governance structure would provide.

C.2 Annual revenue of Commonwealth GBEs

Name of GBE	Revenue (2015-16)
	\$million
ASC Pty Ltd (formerly Australian Submarine Corporation)	797
Australia Post	6 562
Defence Housing Australia	1 333

Name of GBE	Revenue (2015-16)
	\$million
Australian Rail Track Corporation	842
Moorebank Intermodal Co	0
NBN Co	421

Source: Annual reports of GBEs, CIE.

GBEs are required to pay out dividends, however, this is by agreement with the relevant Minister.⁴⁰ The Port Arthur Historic Site generally does not pay dividends, presumably this is by agreement with the Minister.⁴¹ Only three Tasmanian GBEs (electricity businesses and the Motor Accident Insurance Board) paid a dividend in 2015-16.

Stakeholder consultation suggested that there are a few options which are considered as potential models for governance of KAVHA. The governance options discussed below have the potential to provide significant benefits for the management of KAVHA, however further exploration of the relative strengths of each possible governance structure is needed in order to inform the choice of arrangements going forward.

- Consolidation of management within the Department of the Environment and Energy — governance of KAVHA has moved between government departments a number of times. For example, responsibility for KAVHA previously rested with the Attorney General's Department. Further changes in jurisdiction risk loss of expertise and contextual knowledge, and should only be pursued if they offer significant benefits to management. There do not appear to be such benefits associated with shifting jurisdiction to the Department of the Environment and Energy.
- Cockatoo Island model of the Sydney Harbour Trust — a statutory trust offers a self-contained governance body that appears to be effective in managing Cockatoo Island (within the Sydney Harbour Trust). Such a body is also used for the governance of Hyde Park Barracks under the Historic Houses Trust. These bodies are created by legislation, which allows for a clear specification of responsibilities. Unlike GBEs these bodies do not have to pay dividends. The *Sydney Harbour Federation Trust Act 2001 [Commonwealth]* enables the Trust to borrow money or invest funds that are not required for immediate payment of expenses.
- Indian Ocean Territories model — DIRD has an organisation known as the Indian Ocean Territories Authority, which could be set up on Norfolk Island without legislation. However, this would mean that the site is Commonwealth Government owned, which is not the case for KAVHA, which has freehold and Crown leased land.
- Director of National Parks model — the Director of National Parks is a Commonwealth corporate entity established under the *Environment Protection and Biodiversity Conservation Act 1999* s514 ('EPBC Act'). The corporation is constituted by

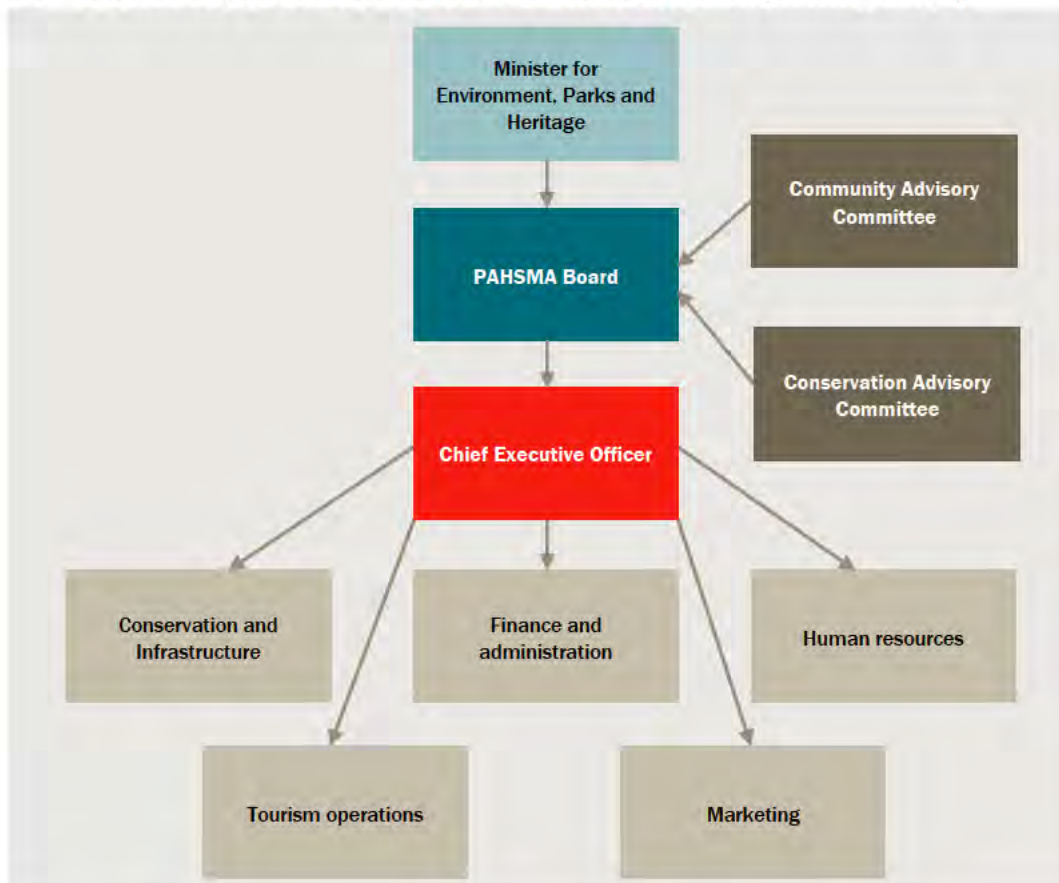
⁴⁰ Department of Finance, 2015, *Resource Management Guide No.126: Commonwealth Government Business Enterprise Governance and Oversight Guidelines*, available at: <http://www.finance.gov.au/sites/default/files/RMG-126%20GBE%20Guidelines.pdf>

⁴¹ See *2011-12 Heads of Treasuries Competitive Neutrality Matrix Report*, available at: www.federalfinancialrelations.gov.au/content/...reporting/CNMR_2011-12.rtf

the person appointed to the office named the Director of National Parks. The *EPBC Act* also establishes the Australian National Parks Fund, into which revenue received by the Director of National Parks and from other sources is put, and from which funds are drawn for the purposes of spending in accordance with the responsibilities of the Director. Such a governance structure could be applicable to KAVHA, particularly in light of the low administrative costs required to have one statutory officer. Additionally, it may enable the employees and other resources of DIRD to be used in support of the statutory officer.

- Statutory authority/GBE in the style of PAHSMA — key to this approach being successful is the composition of the governance body. Figure C.3 presents PAHSMA's management structure, and shows that PAHSMA contains both a Board and CEO. The CEO is directly accountable to the Board, which is responsible for governing PAHSMA.⁴² Stakeholder consultation suggests that expertise and independence are both key ingredients to the successful management of KAVHA under this type of governance structure.

C.3 Governance structure of Port Arthur Historic Site Management Authority



Data source: PAHSMA.

⁴² Department of Finance, 2015, *Resource Management Guide No.126: Commonwealth Government Business Enterprise Governance and Oversight Guidelines*, available at: <http://www.finance.gov.au/sites/default/files/RMG-126%20GBE%20Guidelines.pdf>

While PAHSMA functions effectively as a Tasmanian GBE, there are two main distinguishing factors between the Port Arthur Historic Site and KAVHA.

Firstly, the Port Arthur Historic Site receives a significantly greater number of visitors and is much closer to cost-recovery. This warrants a greater amount of spending to promote the visitor experience, which relies on PAHSMA's ability to retain revenue for the purpose of spending. KAVHA receives a lower amount of visitors, and thus this ability to retain revenue is less important.

Secondly, because Norfolk Island is an external territory of Australia and not part of a state, a GBE for KAVHA would likely be a Commonwealth GBE. While some state GBEs are small (such as PAHSMA), Australian GBEs are all large companies, and therefore a statutory authority may be more appropriate for KAVHA than a GBE.

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s22(1)(a)(ii)

From: s22(1)(a)(ii) <s22(1)(a)(ii)@infrastructure.gov.au>
Sent: Wednesday, 6 May 2026 11:08 AM
To: s22(1)(a)(ii)
Subject: Fw: KAVHA Governance History [SEC=OFFICIAL]

OFFICIAL

Found this when searching the archives. FYI

From: s22(1)(a)(ii)
Sent: Thursday, June 10, 2021 13:13
To: VANDENBROEK, Sarah
Cc: s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii)
Subject: Fw: KAVHA Governance History [SEC=OFFICIAL]

OFFICIAL

Hi Sarah,

I understand you are seeking further information on past governance structures such as the KAVHA Board, any comparison work with other Australian Convict Sites' governance structures, and previous efforts to identify an appropriate governance structure for KAVHA. Below is a summary of existing information on this and a history of governance reviews going back to 2010. More in the attached. The existing information contains comparison with some of the other convict sites but I don't currently have a summary/table comparing all the sites.

2010 – KAVHA Governance Review of KAVHA Board structure in place 1989- 2015

Similar to the issues that persist today, key findings included (note, tense relates to as at 2010):

- There are significant and/or complicated legal, management, financial, administrative and operational issues facing the future management for KAVHA. With an outdated MOU, a limited Advisory Board and no cohesive entity managing the Site, it is not surprising that many people sought new arrangements during the Review's public consultation process.
- Since 1989, the Australian and NI Governments' interests in the Site have been coordinated by the KAVHA Management Board which was established under a MOU...the MOU refers to superseded legislation, financial arrangements and support mechanisms. Much of the language within the MOU confers powers on the Board that it does not have. This language in the MOU reinforces local perceptions that the Board has great influence over the Site. However, the MOU has no legislative basis, and the Board can only make recommendations to the various Government parties which control different aspects of KAVHA through a range of Commonwealth and Territory legislation. There is no

entity to pursue these Board recommendations – rather a mix of Government and contract officers with uncertain reporting structures.

- This lack of strategic planning is marked on the Site. Most existing plans are outdated and uncoordinated. This should be rectified with new plans developed within an agreed
- strategic framework.
- Day-to-day management of the Site is fragmented, with only a small group of people identified as working for “KAVHA”. They are supported by others within various departments of the NI Administration, who manage administrative functions such as accommodation, IT, records, finance and human resource services.
- A KAVHA entity needs to be established with responsibility and control of its own financial and other corporate functions, not relying on third parties within the NI Administration who may have competing objectives and responsibilities. Adding the Museums staff to this mix would provide more opportunity to lift interpretation, reduce duplication and increase opportunities for resource efficiencies. Such an amalgamation would mean the new entity would have sufficient resources to manage the Site and implement the recommendations and measures of this Report. There should be no need to replace existing staff.
-

November 2015–KAVHA Advisory Committee established and looked into longer term KAVHA Governance arrangements

Consistent with the statutory Heritage Management Plan, the KAVHA Advisory Committee identified KAVHA Governance as a priority issue for resolution.

- At its October 2016 Meeting, s22(1)(a)(ii), CEO, Sydney Harbour Federation Trust shared his experience of the Harbour Trust’s governance arrangements and operations. The Trust is a self-funding agency created by the Australian Government responsible for vision planning and management of Sydney Harbour sites including Cockatoo Island (refer agenda paper and minutes extract attached).
- Further discussion was held at the February 2017 meeting, including consideration of management by the IOTA and Director of National Parks (refer agenda paper and minutes extract attached).
- A study tour of Port Arthur Historic Site followed, to learn from its governance experience.

2017 – KAVHA Economic Feasibility Study (CIE)

- The report identified the KAVHA governance structure as impeding its economic potential
- At a minimum, the following broad amendments to the current governance arrangements were recommended:
 - o the KAVHA works crew are employed by the Australian Commonwealth and report to the Commonwealth Heritage Manager at KAVHA
 - o KAVHA to have responsibility for the various museum collections (noting the relationship between KAVHA and the Norfolk Island Museum Trust collection is to be decided), in effect giving rise to a ‘one KAVHA’ type arrangement

- o approval is needed from the Commonwealth Heritage Manager for all on-site activities that have the potential to impact site conservation and interpretation, with input being sought from the Commonwealth Heritage Manager on other on-island activities that have the potential to impact KAVHA.

- The required governance arrangements become more complicated if KAVHA is to generate and retain revenue for reinvesting in the site and further improve conservation and the visitor experience.

2018 – Territories Executive Director Vicki Middleton initiated discussions with DoF and Department of Environment to identify a suitable KAVHA Governance structure

- Ms Middleton initiated discussion with her counterparts in DoF and DoE to jointly identify and develop a suitable governance model for KAVHA using the attached background brief which includes an outline of the PAHS model.
- Ms Middleton deliberately opted for the strategy of not suggesting a suitable model, but instead defining the problems we sought to overcome, so that DoF would have ownership of the solution identified.
- Discussions continued at the EL2/EL1 level, and DoF suggested that establishing a Statutory Position within the department was likely the most appropriate option.
- The attached draft gateway assessment template was developed with the responsible DoF director (who understood the NI context), along with the attached Cockatoo Island and NCA comparisons. The NCA was suggested by the DoF director as a governance model to consider.
- When the Department reconnected with DoF to further progress the gateway assessment template, the Director had moved on and the new Director / PGPA Advisory did not support the progression of that model. DoF noted that public consultation on appropriate models had also not occurred.
- With a change of SES officers in the Territories Division, there was no longer support for pursuing the governance change.

July 2019 – KAVHA Advisory Committee meeting and initiation of the KAVHA Governance Review

The Advisory Committee:

- reinforced the importance of addressing the long-term governance structure for KAVHA, consistent with the Heritage Management Plan recommendations
- noted that they believe that the SDA with NIRC is a short-term, stop-gap arrangement and that there are capacity constraints of NIRC in delivering a range of state-type services
- ***expressed concern that the conversation about governance had been occurring for four years with little progress, and that a further five years without action may impact the site's world heritage status***
- ***observed that Australia has 20 world heritage sites with many different governance structures, but that only KAVHA and the most recently listed site do not have boards. In their view, KAVHA lacks an effective decision making structure, and a forward vision for an appropriate governance arrangement should be tenaciously pursued***

- Following her first full attendance at the KAVHA Advisory Committee meeting (remotely), Ms Nicole Pearson, Assistant Secretary NI Branch, initiated the KAVHA Governance Review to try to address the Advisory Committee's ongoing concerns, identify smaller scale, appropriate governance models for KAVHA and address the concerns of DoF regarding community consultation on the models and having an independent cost comparison of various model options. The DoF PGPA Advisor and relevant Director, were specifically consulted as key stakeholders to ensure the project again incorporated their views/constraints. While recognising that a separate statutory entity may not be supported at the time, this was included to have an assessment of its appropriateness over the longer term, and as a comparison point for costs etc which is needed to inform gateway assessments/budget proposals.

2020 – KAVHA Governance Review Options Report (ACIL Allen)

In 2019-20, ACIL Allen Consulting completed the initial stages (stages 1-4) of the KAVHA Governance Review. Stages 1-4 of the project included:

- document review and the development of a comprehensive framework against which various governance options for KAVHA would be considered
- two rounds of consultations to gather perspectives from a range of key stakeholders including KAVHA Advisory Committee and Community Advisory Group Members, representatives of the Norfolk Island Museums Trust and Norfolk Island Regional Council, managers of other Australian Convict Sites, Canberra and Norfolk Island based Departmental staff and staff from the Department of Finance
- the preparation of an Options Report that outlines four potential options for KAVHA Governance reform as a basis for public consultation, including consideration of the options against the assessment framework, their strengths and limitations
- presentation to, and feedback from, the KAVHA Advisory Committee and Norfolk Island Inter-departmental Committee on the proposed options.

Options identified for further consultation included:

- Option 1: No new entity established, but existing arrangements refined
- Option 2: A corporate Commonwealth entity
- Option 3: A Commonwealth company
- Option 4: An incorporated association.

Discussions with ACIL Allen during the project indicated that the DoF PGPA Advisory considered the incorporated association option may be a sensible approach to address the site's needs while being appropriate to scale.

In December 2020, you advised that the project should not proceed to the planned final stages of community consultation and costing of options as the creation of new governance entities was inconsistent with the government's *Smaller Government Reform Agenda*.

March 2021 – KAVHA Advisory Committee Meeting

- You advised the Advisory Committee that the Department had chosen to not progress with the final stages of the ACIL Allen Report and would instead progress implementation of a version of Option 1 – revision of existing arrangements within the Department, noting that while the ACIL Allen report captured community and stakeholder views, you considered that it didn't reflect the views of government based on other failed attempts to establish a separate entity for larger organisations (Minute extract attached).
- During this meeting and as reflected in the italicised text above from the July 2019 meeting minutes, Advisory Committee members expressed a level of frustration with the Commonwealth identifying and pursuing a particular option/ course of action of its choosing, changing that course multiple times, with still no resolution to the key inhibitors several years later. The Advisory Committee has not specifically advocated for a particular governance model, they instead seek the Commonwealth's action to implement a suitable model that will better serve the site's conservation, interpretation and tourism needs.

Thanks ^{s22(1)}_{(a)(ii)} for pulling the information out for us.

^{s22(1)}
(a)(ii)

^{s22(1)}(a)(ii)

Director • KAVHA Section/Norfolk Island Branch • Territories Division

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^{s22(1)}(a)(ii)

A/g Assistant Director + KAVHA Secretariat and Governance Coordinator • Norfolk Island Assets and Operations/Norfolk Island Branch • Territories Division

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I acknowledge the traditional custodians of this land on which we meet, work and live.

I recognise and respect their continuing connection to the land, waters and communities.

I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islander people.

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Governance Recommendations 2022 - Kingston and Arthur's Vale Historic Area

The governance arrangements for Kingston and Arthur's Vale Historic Area (KAVHA) have long been identified by the Department, KAVHA Advisory Committee, stakeholders and independent consultants as key constraints to KAVHA realising its economic and heritage potential.

The table on the following pages sets out proposed revisions to existing governance arrangements for KAVHA. Retaining management of KAVHA within the Department but with revisions which address the current governance barriers, is the Department's preferred approach after considering the options identified in the *KAVHA Governance Review: Options Paper*, ACIL Allen Consulting, 2021. The approach was selected as the most likely to be achievable and thus address long standing governance issues for the site. The revised governance arrangements were informed by discussions with Department of Finance, the arts sector, various areas of the Department (human resources, Legal services, and Indian Oceans Territory Branch) and the Department's First Assistant Secretary, Territories Division and Assistant Secretary, Norfolk Island Branch.

The governance arrangements outlined in more detail in the table over the page, in summary covers:

- **Governance arrangements** – slight changes to the structure and operation of the current advisory committee, noting that the current committee was established as an interim while new governance arrangements were developed and finalised.
- **Revenue collection and reinvestment in KAVHA** – currently the Department does not have the approvals to collect and reinvest revenue and discussions with the Department of Finance resulted in agreeing that the best approach is for the Department to seek authority to establish KAVHA as part of a Territories wide special account (or existing Territory special account). This will enable the Department to collect revenue from activities on KAVHA for reinvestment in the site consistent with the KAVHA Heritage Management Plan.
- **Joining up decision making** amongst the various KAVHA delegates in order to ensure coordinated decision making which implements the KAVHA Heritage Management Plan and its guiding documents. Under current legislation various delegations sit with the Department, Norfolk Island Administrator and the Conservator of Public Reserves (a Norfolk Island Regional Council employee). To join-up delegate decision making the Department will need to document the delegations and decision processes, provide training/workshop to delegates and KAVHA staff in order to develop shared understanding and ensure required processes are being followed. The Plans of Management for reserves in KAVHA (which sit with NIRC) are old and will need to be updated (by the Department) to guide decision making and ensure they are fit for purpose and align with the revised KAVHA Heritage Management Plan. The updated Plans of Management should include requirement that the Conservator consult with the Commonwealth prior to approving activities in public reserves in KAVHA.
- **Centralising staff management**. Currently some KAVHA staff are managed by NIRC, funded by the Department and others are engaged directly by the Department. An interim mechanism to centralise staff management is to second NIRC staff to the Department. Longer term arrangements could be to make key ongoing positions permanent Departmental positions, and contract in the services which are only required intermittently.

Other governance matters covered in the table include,

- **Donations** – the KAVHA Museum is eligible for Deductible Gift Recipient status which would enable it to receive donations to be reinvested in the museum and conservation of the KAVHA collection. See table for more details on what the Department will need to do in order to apply.
- **Volunteers** – confirming volunteers can be engaged to work on KAVHA and will be covered by Commonwealth's insurance.
- **Other** – suggestions relating to securing adequate funding, staffing levels and composition/skills. The first step being to cost implementation of the revised KAVHA Heritage Management Plan, including mapping staff required (revisit KAVHA Advisory Committee previous work mapping out staffing requirements).

TABLE 1: PROPOSED KAVHA GOVERNANCE ARRANGEMENTS TO ADDRESS CURRENT KEY BARRIERS - 2022

Action area	Issue/challenge	Recommendation to address issue/challenge
Committees/Groups		
Advisory Committee	Current Advisory Committee was established and continued pending consideration of long-term governance arrangements which may have resulted in establishment of an independent entity, requiring a board or equivalent governance structure. With the Department deciding that management responsibilities for KAVHA are to remain with the Department, the Advisory Committee continues to be a sound and preferred method for advising the Department on the management of the site. While establishment of a board has previously been flagged, in this circumstance, a committee is more appropriate given the role remains advisory and the delegations remain with the Minister responsible for Territories, the Department and in part with the Norfolk Island Administrator which is held to account by public service requirements. Some modifications to the Committee however are suggested to formalise the strengths of the committee, picking up on recommendations from the <i>KAVHA Governance Review: Options Paper, 2022</i> , primarily to reconstitute membership based on skills.	1. Committee continues as an advisory committee rather than a board, given its advisory function. 2. Formally reconstitute as skills based rather than representative, with appointment of members to cover a range of desired expertise including: heritage management and archaeology, economic development, cultural tourism, Norfolk Island cultures and values (multiple members, including deep knowledge and expertise in the cultures and values of the people of Pitcairn descent). Noting current committee membership have these skills. 3. Chair – Norfolk Island Administrator or other, appointed by the Assistant Secretary, Norfolk Island Branch within the Department. 4. Convention continue for the Department to listen to the advice of the Committee. 5. Introduce requirement that the Committee provide an annual report to the Minister responsible for Territories in order to keep the Minister updated about her responsibilities for the site, current status and future plans.
Community Advisory Group	KAVHA is a living site, with Norfolk Islanders deeply invested in the site. The Community Advisory Group provides a critical role of informing management of the site as well as sharing information with the Group about the site.	6. Continue Community Advisory Group comprised of non-representative determined via Expression of Interest Process 7. Continue regular meetings between Departmental officials responsible for KAVHA and the Community Advisory Group 8. Continue including the Community Advisory Group as a standing agenda item on Advisory Committee meeting.
Australian Convicts Site Steering Committee	KAVHA is one of 11 sites which together make up the World Heritage listed Australian Convict Sites World Heritage Property. The Australian Convicts Site Steering Committee brings together managers from all the sites, facilitating Australia meeting its World Heritage obligations. Secretariat function is rotated amongst the sites.	9. Departmental staff working on KAVHA continue to participate in the Australian Convict Site Steering Committee. This has traditionally been the KAVHA Commonwealth Heritage Manager.

Funding		
Adequate funding	Securing sufficient funding to implement the KAVHA Heritage Management Plan and meet international obligations and responsibilities under the EPBC Act. KAVHA will never be self-funding and will always require Government funding in order for the Department to meet its international obligations and responsibilities under the EPBC Act. This is based on the experience of other convict heritage sites and previous economic analysis. The Centre for International Economics in their study of KAVHA (KAVHA Economic Feasibility Study 2017) stated that no Australian Convict site is financially self-sustaining. While the Department now has an ongoing budget appropriation for KAVHA which provides for very base funding for essential maintenance, core staffing, museum operation and conservation of the KAVHA collection, this is not sufficient to meet all of the Government's responsibilities and implement the KAVHA Heritage Management Plan. Recommendations on how to address are provided in the next column and below.	• Department effectively manage expenditure of the current base level budget appropriation for KAVHA and seek additional funding through the approaches below. • Cost the reviewed and updated KAVHA Heritage Management Plan (incorporating the new KAVHA Site Master Plan and existing asset management plan) to identify short fall in funding and inform opportunities to request additional funding through the budget process.
Special Account to provide authority to collect, retain and reinvest revenue in KAVHA	KAVHA funding could be supplemented by modest revenue collected on the site. Currently the Department does not have authority for itself to collect, retain and reinvest revenue from KAVHA, however the Norfolk Island Regional Council (NIRC) is able to do so and is currently funded by the Department to deliver KAVHA maintenance and operate the KAVHA museum and conserve the KAVHA collection, through a service delivery agreement. Through this service delivery agreement, NIRC currently collects funds from the KAVHA Museum visitor pass and reports using this to cover the existing budget shortfall in operating the KAVHA museum. NIRC and the Department are looking to move away from funding NIRC to direct management by the Department to deliver these functions, as they are not traditionally the role of local government nor a NIRC priority. If this move occurs it is critical that the Department receive the necessary authority to collect, retain and expend/reinvest the revenue currently generated by	• Supplement funding from the budget appropriation through revenue collection by seeking approval for KAVHA to be included in a Territories Division Special Account. This will enable the Department to collect and retain revenue generated from KAVHA for reinvestment in the site.

	KAVHA in order to continue current services, in particular the operation of the KAVHA Museum. Such authority would also provide an opportunity to slightly increase revenue as identified in the draft KAVHA Site Master Plan, through future café/restaurant leases and fees for commercial (not community) events with revenue collected reinvested in the site. Discussions with the Department of Finance has identified that the best and only mechanism open to the Department to achieve this, is a special account. As the threshold of current KAVHA revenue is below the threshold to establish a separate special account, KAVHA will need to be included in an existing special account, in which KAVHA revenue and expenditure can be quarantined.	
Opportunities to slightly increase revenue collection	Once KAVHA is included in a Territories Division Special Account, there will be opportunities to collect, retain and expend revenue for activities on the site such as leases and commercial events and festivals	• The Site Master Plan is likely to identify building usage such as cafes and restaurants which when leased will provide revenue, for reinvestment in KAVHA should the above special account be approved. • Some investment will be needed in the KAVHA buildings. • Leases will need to be developed in accordance with Departmental procedures, which include approval from the Department's Operations Committee.
Donations	There is currently no mechanism to receive donations for KAVHA. As donations need to be well managed, in a transparent manner to uphold the intent of the donor and display funding has been spent as intended, resources would need to be allocated to manage such a mechanism if established. Advice from the Arts Sector is that where donations are small, the cost of managing can mean there is no material gain and this would need to be taken into account when considering whether to establish a mechanism for KAVHA to receive donations. The KAVHA Museum, being open to the public, makes the Department eligible to apply for the KAVHA museum being included on the Australian Tax Office Register of Cultural	• The Australian Tax Office Guide to Deductible Gift Recipient Status outlines what is required for the Department to apply for the KAVHA Museums to included on the Australian Tax Office Register of Cultural Organisation and have deductible gift recipient (DGR) status. https://www.ato.gov.au/Forms/Instructions-for-endorsement-as-a-deductible-gift-recipient/ • The Department would first need to set up a KAVHA Museum ABN, underneath the Department's ABN. • The Department would need to identify how donations would be managed and the funds expended on the KAVHA Museum.

	Organisation and have deductible gift recipient (DGR) status. DGR status enables Australian donors to make a tax deductible gifts to the KAVHA Museum with the Museum being able to retain and expend on the museums functions. Before applying the Department will need to set up a KAVHA Museum ABN, underneath the Department's ABN.	
Commonwealth Heritage Grant Program	The Department is currently ineligible for the heritage grant program managed by the Department of Water Agriculture and the Environment, which places KAVHA at a disadvantage in comparison to other heritage sites who are eligible due to being separate from the Commonwealth, the responsibility of a state/territory government or separate entity. The Other 10 sites which make up the Australian Convict sites are eligible for these grants which together with state funding is a significant source of their revenue.	• Seek to supplement funding through approaching the Department of Agriculture, Water and the Environment, responsible for the Heritage Grant funding program to determine whether their program guidelines can be amended so the Department can access the heritage grant funding.
KAVHA Delegations and joined up decision making	Delegations for KAVHA sit with the Department, Norfolk Island Administrator and Conservator of Public Reserves (the Conservator, a Norfolk Island Council employee), adding to the complexity of managing KAVHA. While these arrangements will continue given the current legislative framework, things can be done to better support joined up decision making which is consistent with implementing the KAVHA Heritage Management Plan. To achieve this the Plans of Management on which the NIRC delegate bases approvals for activities on reserves, need to be updated as the current plans are old and need to be revisited in light of the reviewed KAVHA Heritage Management Plan. The new plans should include requirement that the Conservator consult with the Commonwealth prior to approving activities in public reserves in KAVHA. This is based on legal advice received relating to Public Reserves on Norfolk Island and the roles of the Minister and Conservator. Currently, permits for controlled activities within KAVHA public reserves are approved by the Conservator (employed by the NIRC) under the Act. Licences, and leases on Crown Land in KAVHA are approved by the Administrator, under the <i>Crown Lands Act 1996</i> (NI) but can also be issued by	• Agree central decision point for KAVHA, proposed to be the First Assistant Secretary, Territory Division within the Department. • Develop handbook showing delegations and process for making decisions on KAVHA ie reserves, permits, building approvals, building usage, leases etc • Hold workshop with delegates and KAVHA staff to ensure common understanding of delegation and decision making processes • Update plans of management for reserves in KAVHA – Department prepare, NIRC agree and implement – and include in the updated Plans of Management that the NIRC Conservator consult with the Commonwealth prior to approving activities in public reserves in KAVHA.

	Department's Deputy Secretary and SES 2, Territories (<i>Minister's Norfolk Island Delegation Instrument 2019</i>). There is a risk that where decisions are being made without consulting the KAVHA Heritage Manager or Department the heritage values of the site may be damaged.	
Staffing		
Staffing profile	Currently and historically an EL2 has been responsible for implementing the KAVHA Heritage Plan and managing Departmental engaged staff and service delivery arrangements in addition to their other non-KAVHA duties which often take precedence. Ideally a designated position would be responsible for KAVHA, ensuring implementation of the KAVHA Heritage Management Plan, management of the site and staff, working with the Department's capital works team and the KAVHA delegates and stakeholders.	After HMP review completed revisit staffing profile required to implement. Note previous staffing profile prepared by KAVHA Advisory Committee.
Centralise management of staff working on KAVHA	There are a number of structural issues with the current staffing of KAVHA Method of employment and lines of reporting of KAVHA staff is fragmented making implementation of the Heritage Management Plan and optimising use of resources difficult. Of the some 24 staff working on KAVHA, 17 are NIRC employees, funded by the Department through a service delivery agreement, and of the 7 staff directly engaged by the Department of which two are permanent and five are labour hire (many part time). In addition, planning and procurement of capital works is undertaken by another area of the Territory Division, though in close collaboration with the KAVHA Section.	- Secondment of NIRC KAVHA staff to the Department is the intermediate option, with longer term potentially being a hybrid model with key ongoing positions being made permanent ongoing Departmental positions, and services which are used intermittently, engaged via labour hire or contract. - See separate email provided by the Department's corporate area. Note the email outlines that the IOTA model currently in operation for the Indian Oceans Territories through its own enterprise agreement is a significant cost to the Department and is not recommended due to being poor value for money.
Volunteers	In the past at various times people have asked whether volunteers can be engaged to work on KAVHA	Note volunteers can be covered by Commonwealth insurance (suggest check current requirements ie document duties and hours work etc)

October 2018



Action Plan - Kingston and Arthur's Vale Historic Area (KAVHA)

The following actions will be undertaken within KAVHA in 2018/19. The plan aims to address some of the highest priorities identified in the 2016 KAVHA Heritage Management Plan and subsequent studies, and was prepared with the assistance of the KAVHA Advisory Committee.

Strategic Priority 1 - Heritage Conservation - *Protect and conserve KAVHA's heritage values with integrity and authenticity*

- Identify priority maintenance activities and implement the 2018-19 priority maintenance schedule via the SDA and other contractors, as appropriate
- Implement the 2018-19 Capital Works program via local contractors, as appropriate
- Progress priority improvements as listed below:
 - Scope rehabilitation works for identified high safety risks at Bounty Street Bridge, Civil Hospital, Civil Hospital Retaining Wall, Arthur's Vale Retaining Wall, REO Office and Longridge Arches
 - Obtain preservation and rehabilitation advice for the Crank Mill
 - Undertake selective removal of trees which have been identified as a risk to public safety and heritage fabric
 - Undertake public consultation and, where feasible, selective removal of trees from Polynesian site, to restore historic sightlines, and minimise erosion
 - Rehabilitate the Settlement Guard House, using this as a demonstration and learning project in conjunction with a Longford Academy visit.
- Prepare an Archaeological Zoning and Management Plan (AZMP)
- Progress development and implementation of a Strategic Asset Management Plan for KAVHA, noting that this will be a multi-year project. Components will include:
 - A cyclical maintenance program for heritage and other assets at the site
 - A prioritised multi-year renewal and upgrade works program
 - Supporting procedures and policies covering condition monitoring, maintenance techniques and prioritisation of infrastructure and non-infrastructure responses
- Undertake a collection assessment study in collaboration with the KAVHA museum staff

Strategic Priority 2 – Life in the Community - *Respect local traditions and encourage positive community engagement in the management of KAVHA*

- Establish a Community Advisory Panel to provide regular local advice on the conservation, presentation and management of KAVHA
- Undertake community consultation on the Cultural Landscape Management Plan (CLMP), including with respect to:
 - Livestock management
 - Changed vehicle and pedestrian traffic access, including measures to protect public safety and heritage structures
 - Vegetation management, weed and tree removal
 - Water quality and drainage
- Progress priority capital improvements
 - Upgrade of road surface and installation of parking barriers along the road around the Crank Mill to the Pier
 - Remediate Cemetery Bay retaining wall and, where feasible, complete cemetery stabilisation works
 - Replace some of the sewerage infrastructure to reduce risks to water quality
 - Install parking barriers at Emily Bay to protect safety of beach users
 - Scope options for improved fire egress from multi-storey buildings
- Engage Longford Academy to deliver heritage skill training to works crew and interested community members
- Regularly update the community on progress via print and online media, radio and Community Advisory Panel meetings.

Strategic Priority 3 – Sustainable Tourism - *Support and encourage traditional and cultural uses and ongoing cultural practices, and improve financial sustainability*

- Maintain and enhance the KAVHA Website
- Draft a KAVHA Development Control Plan to help facilitate and encourage tourism and commercial opportunities
- Progress priority capital improvements/CLMP projects:
 - Implement improved traffic movement in Pier precinct through upgrade of the road surface and designation of areas for parking and other purposes
 - Identify and implement improved access to museums for people with limited mobility, including through modification of parking barriers near the Pier Store
- Establish a mechanism for tourism feedback in consultation with NIRC and museum staff
- Develop a materials palette for roads, paths, handrails etc to assist with strategic development of the site

Strategic Priority 4 – Education and Information – *Strengthen appreciation and respect of KAVHA's heritage by presenting a full range of stories*

- Finalise an Interpretation Plan and deliver priority interpretation projects identified within the Interpretation Plan within grant project resources
- Work towards establishing the Settlement Guard House as an interpretive space/theatrette, noting that this is related to the project to rehabilitate the building
- Participate in, and collaborate with, the Australian Convict Sites Steering Committee
- Collaborate with the Norfolk Island Museum and Research Centre to tell the multi-layered stories of KAVHA
- Support community and school involvement in interpretative activities
- Negotiate for integration of simple conservation and interpretative CLMP recommendations into the Service Delivery Agreement (SDA) with NIRC.

Strategic Priority 5 – Governance and Capacity - *Support arrangements to foster collaboration, shared information, accountability and transparency*

- Seek approval for new governance arrangements to improve the transparency, accountability and sustainability of KAVHA
- Support the operations of the KAVHA Advisory Committee
- Establish better engagement, reporting and accountability mechanisms to support the integration of maintenance, museums and research centre functions with Commonwealth actions at KAVHA, including through investigation of options for co-location of NIRC's KAVHA team leader and Commonwealth Heritage Manager
- Establish regular liaison sessions with the Museum Team Leader and the staff responsible for KAVHA capital works and maintenance projects
- Establish an integrated KAVHA recommendations database and electronic library
- Improve safety arrangements through the development of Safe Work Method Statements and provision of staff inductions, in collaboration with NIRC
- Consider and plan for required changes to transition to alternate governance arrangements, review service delivery arrangements and update the Advisory Committee membership prior to expiry of current terms.
- Consolidate existing reports and material into a Site Master Plan which defines the strategic direction for the site and components.

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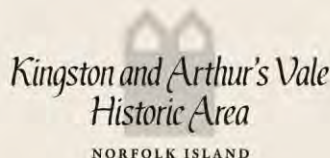


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Australian Convict Sites
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September 2019

Kingston and Arthur's Vale Historic Area (KAVHA)

Operational Plan 2019-20

This plan sets out the priority actions to be undertaken within KAVHA in 2019-20. The plan aims to address some of the highest priorities identified in the 2016 KAVHA Heritage Management Plan and subsequent studies, and was prepared with the assistance of the KAVHA Advisory Committee.

Strategic Priority 1 - Heritage Conservation - *Protect and conserve KAVHA's heritage values with integrity and authenticity*

- Identify priority maintenance activities and implement the 2019-20 priority maintenance schedule via the SDA and other contractors, as appropriate
- Implement the 2019-20 Capital Works program via local contractors, as appropriate
- Progress priority improvements as listed below:
 - Progress detailed design and approvals for rehabilitation works for identified very high safety risks at Bounty Street Bridge, Civil Hospital, Arthur's Vale Retaining Wall, the Royal Engineer's Office and Longridge Arches
 - Progress upgrade of the sewerage system within Kingston to mitigate the environmental impact of sewage on the site and the Norfolk Marine Park
 - Implement asbestos management plans and undertake asbestos removal as required
- Obtain preservation advice and undertake maintenance of cemetery headstones
- Finalise the Archaeological Zoning and Management Plan (AZMP) and enable GIS capability on-island
- Implement the AZMP methodology for archaeological oversight and advice on capital works projects
- Progress the development and implementation of an Asset Management Plan (AMP) for KAVHA, noting that this is a multi-year project.
- Finalise the KAVHA Maintenance Manual and integrate asset maintenance recommendations into the maintenance program and the AMP
- Implement follow-up actions from the Sirius Museum building survey in collaboration with museum and maintenance staff
- Prepare documents to support the updated HMS Sirius Management Plan being made into a legislative instrument.

Strategic Priority 2 – Life in the Community - *Respect local traditions and encourage positive community engagement in the management of KAVHA*

- Support and engage with the Community Advisory Group (CAG) to enable local involvement in the conservation, presentation and management of KAVHA
- Work in partnership with the CAG to develop a communication strategy for KAVHA
- Continue to work with the CAG and relevant stakeholders to implement the Cultural Landscape Management Plan relating to:
 - Livestock management
 - Changed vehicle and pedestrian traffic access, including measures to protect public safety and heritage structures
 - Vegetation management, including weed and tree removal
 - Water quality and drainage
- Integrate community priorities into the Site Master Plan, the Strategic Asset Management Plan and the AMP
- Undertake traffic monitoring to inform the development of a traffic management plan to improve road and pedestrian safety and parking requirements
- Engage Polynesian cultural expertise and involvement in the development of Polynesian site interpretation
- Engage with the Fauna and Flora Society to develop a register of significant trees, cultural plantings and gardens
- Regularly update the community on progress via Community Advisory Group meetings, print, radio and online media.

Strategic Priority 3 – Sustainable Tourism - *Support and encourage traditional and cultural uses and ongoing cultural practices, and improve financial sustainability*

- Undertake public review of, and finalise, the KAVHA Development Control Plan to help facilitate and encourage tourism and commercial opportunities
- Implement reporting mechanisms under the SDA in consultation with NIRC and museum staff relating to tourism feedback, interpretive programs and financial returns from museum and research centre activities
- Obtain expert advice on tourism and marketing opportunities at the site
- Maintain and enhance the KAVHA website
- Support the post-conference ICOMOS tour to Norfolk Island
- Develop an implementation plan to respond to the KAVHA Access Audit Report

Strategic Priority 4 – Education and Information – *Strengthen appreciation and respect of KAVHA's heritage by presenting a full range of stories*

- Finalise an Interpretation Plan and deliver initial priority interpretation projects:
 - Development of new visual identity and branding
 - Development of wayfinding system and markers
 - Interpretation of the Polynesian settlement story and establishment of a waymarker at the Polynesian site, in collaboration with Parks Australia
- Participate in, and collaborate with, the Australian Convict Sites Steering Committee
- Collaborate with the Norfolk Island Museum and Research Centre to tell the multi-layered stories of KAVHA
- Support community and school involvement in interpretative activities
- Investigate introduction of other agricultural patterns (field boundaries) or uses to interpret former productive gardens/history of self-sufficiency

Strategic Priority 5 – Governance and Capacity - *Support arrangements to foster collaboration, shared information, accountability and transparency*

- Seek approval, plan for and progressively implement improved governance arrangements to increase the transparency, accountability and sustainability of KAVHA
- Support the operations of the KAVHA Advisory Committee
- Implement newly agreed engagement, reporting and accountability mechanisms to support the integration of maintenance, museums and research centre functions with Commonwealth actions at KAVHA
- Undertake regular liaison sessions with the Museum Team Leader and the staff responsible for KAVHA capital works and maintenance projects
- Develop a status report on all Heritage Management Plan recommendations as a foundation for the review of that plan in 2020-21
- Update the Advisory Committee membership and Handbook prior to expiry of current terms
- Consolidate recommendations in recently completed plans to support development of a prioritised change program in the Site Master Plan
- Develop a Site Master Plan which defines the strategic direction for the site and its components
- Commence a project to digitise KAVHA records to produce a digital database/library that is comprehensive, searchable and easily accessible

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Kingston and Arthur's Vale Historic Area

Operational Plan 2020-21

This plan sets out the priority actions to be undertaken within KAVHA in 2020-21. The plan aims to address some of the highest priorities identified in the 2016 Heritage Management Plan (HMP) and subsequent studies, and was prepared with the assistance of the Advisory Committee.

HMP Strategic Priority 1 - Heritage Conservation - *Protect and conserve*

KAVHA's heritage values with integrity and authenticity

- Review and update the Heritage Management Plan for Kingston
- Develop a Site Master Plan which defines the strategic direction for the site and its components
- Finalise the review of the HMS Sirius 1993 Plan of Management in cooperation with the Norfolk Island Museum
- Progress development of the HMS Sirius Heritage Management Plan, commencing with a site survey and condition assessment of heritage values
- Progress the development, public review and finalisation of a Longridge Arches Heritage Management Plan
- Identify priority maintenance activities and implement the 2020-21 priority maintenance schedule via the SDA and other contractors, as appropriate
- Progress priority improvements as listed below:
 - Develop a Conservation Management Plan for Government House and undertake initial program of priority works (tbc)
 - Progress approval and upgrade to the sewerage system within Kingston to mitigate the environmental impacts on the site and the Norfolk Marine Park
 - Implement asbestos management through the SDA and undertake asbestos removal as required
- Obtain preservation advice and continue maintenance and recording of the cemetery headstones
- Implement use of the Archaeological Zoning and Management Plan, including GIS database, to support archaeological oversight and inform planning for future capital works and research projects
- Progress the development and implementation of an Asset Management Plan for KAVHA (multi-year project), integrated with the KAVHA maintenance program.
- Investigate local LIDAR scanning of the KAVHA heritage structures, including ruins and landscape features as part of enhanced conservation management.

HMP Strategic Priority 2 – Life in the Community - *Respect local traditions and encourage positive community engagement in the management of KAVHA*

- Support and engage with the Community Advisory Group (CAG) to enable local involvement in the conservation, presentation and management of KAVHA
- Engage with the Council of Elders, including on the application of Norf'k language in KAVHA materials, and cultural heritage matters more generally
- Continue to work with the CAG and relevant stakeholders to implement Cultural Landscape Management Plan priorities, including those relating to livestock management; traffic monitoring and management; vegetation management, including weed and tree removal; and water quality and drainage
- Integrate community priorities into the Site Master Plan
- Work with stakeholders including Flora and Fauna Society, Parks Australia and NIRC to address water quality issues and rehabilitate creek lines with native endemic vegetation
- Undertake traffic monitoring to inform future management of vehicle/pedestrian traffic access and support improved pedestrian and vehicle traffic safety
- Regularly update the community via Community Advisory Group meetings, print, radio and online media.

HMP Strategic Priority 3 – Sustainable Tourism -*Support and encourage traditional and cultural uses and ongoing cultural practices, and improve financial sustainability*

- Collaborate with NIRC to identify and implement joint tourism and marketing initiatives, tourism feedback mechanisms, interpretive programs and opportunities for improved financial returns from museum and research centre activities
- Maintain and enhance the KAVHA website, incorporating new branding and visitor-focused content
- Develop and maintain content to promote KAVHA and Norfolk Island for audio visual display in the Norfolk Island airport arrivals area in conjunction with NIRC.
- Implement the KAVHA Development Control Plan, and contribute to the review of the NI Plan in 2020-21

HMP Strategic Priority 4 – Education and Information – *Strengthen appreciation and respect of KAVHA's heritage by presenting a full range of stories*

- Implement and launch priority interpretation projects:
 - New visual identity and branding
 - Wayfinding system and markers
 - New site orientation leaflet
 - Interpretation of the Polynesian settlement story
 - Queen Elizabeth lookout signage
- Develop content for, and trial, a digital app to support interpretation of KAVHA with video, audio and information stops linked to waymarkers
- Participate in, and collaborate with, the Australian Convict Sites Steering Committee to promote KAVHA and its linkages to other convict sites
- Collaborate with the Norfolk Island Museum and Research Centre to tell the multi-layered stories of KAVHA
- Support community and school involvement in interpretative activities
- Investigate introduction of other agricultural patterns (field boundaries) or uses to interpret former productive gardens/history of self-sufficiency

HMP Strategic Priority 5 – Governance and Capacity - *Support arrangements to foster collaboration, shared information, accountability and transparency*

- Complete the KAVHA Governance Review and seek approval, plan for and progressively implement improved governance arrangements to increase the transparency, accountability and sustainability of KAVHA
- Support the operations of the KAVHA Advisory Committee and CAG
- Implement engagement, reporting and accountability mechanisms to support the integration of maintenance, museums and research centre functions with Commonwealth actions at KAVHA
- Undertake regular liaison sessions with NIRC's Team Leader (Tourism and Heritage) and the staff responsible for KAVHA capital works and maintenance projects
- Establish a property management framework and create lease arrangements for tenanted Commonwealth-owned properties within KAVHA, and renewal of expired/expiring KAVHA Leases
- Continue project to take stock of and digitise KAVHA records in a database/library that is comprehensive, searchable and easily accessible

Kingston and Arthur's Vale Historic Area

Operational Plan 2021-22

This plan sets out the priority actions to be undertaken within KAVHA in 2021-22. The plan aims to address some of the highest priorities identified in the 2016 Heritage Management Plan (HMP) and subsequent studies, and was prepared with the assistance of the Advisory Committee.

HMP Strategic Priority 1 - Heritage Conservation - *Protect and conserve*

KAVHA's heritage values with integrity and authenticity

- Review and update the Heritage Management Plan for Kingston
- Develop a Site Master Plan which defines the strategic direction for the site and its components
- Progress the public review and finalisation of Heritage Management Plans for Longridge Arches and the HMS Sirius wrecksite
- Identify priority maintenance activities and implement the 2021-22 priority maintenance schedule via the SDA and other contractors, as appropriate
- Progress priority improvements as listed below:
 - Roof replacement and verandah works in line with the Conservation Management Plan for Government House
 - Progress approval and design of upgrade to the sewerage system within Kingston to mitigate the environmental impacts on the site and the Norfolk Marine Park
 - Finalise the design for the stabilisation of the Civil Hospital
 - Stabilisation repairs to the REO portico
 - Continue asbestos management through the SDA and undertake asbestos removal as required
- Obtain preservation advice and pursue non-invasive geophysical investigation to support maintenance of the cemetery including headstones, while supporting local skills development
- Implement the Archaeological Zoning and Management Plan, including GIS database, to support archaeological oversight and inform planning for future capital works and research projects
- Progress implementation of the Asset Management Plan for KAVHA, integrated with the KAVHA maintenance program.
- Progress digital scanning of the KAVHA heritage structures and archaeological sites, including ruins and landscape features, and promote installation and maintenance of measured survey markers as part of enhanced conservation management.

HMP Strategic Priority 2 – Life in the Community - *Respect local traditions and encourage positive community engagement in the management of KAVHA*

- Support and engage with the Community Advisory Group (CAG) to enable local involvement in the conservation, presentation and management of KAVHA and encourage youth engagement
- Engage with the Council of Elders, including on the application of Norfolk language in KAVHA materials, and cultural heritage matters more generally
- Support the promotion, transfer and demonstration of traditional trades, arts and crafts at KAVHA
- Engage with landholders and leaseholders regarding the management of heritage assets on their land
- Continue to work with the CAG and relevant stakeholders to implement Cultural Landscape Management Plan priorities, including those relating to livestock management; traffic monitoring and management; road and culvert maintenance, vegetation management, including weed and tree removal and endemic species enhancement; and pursue water quality strategies
- Integrate community priorities into the Site Master Plan and updated Heritage Management Plan
- Work with stakeholders including the Flora and Fauna Society, Water Quality Working Group, Parks Australia, Marine Parks and NIRC to address water quality issues and rehabilitate creek lines with native endemic vegetation
- Undertake traffic monitoring to inform future management of vehicle/pedestrian traffic access and support improved pedestrian and vehicle traffic safety

- Regularly update the community via Community Advisory Group meetings, print, radio and online media.
- Pursue active delivery of a local social media presence for KAVHA

HMP Strategic Priority 3 – Sustainable Tourism -*Support and encourage traditional and cultural uses and ongoing cultural practices, and improve financial sustainability*

- Collaborate with NIRC to identify and implement joint tourism and marketing initiatives, tourism feedback mechanisms, interpretive programs and opportunities for improved financial returns from museum and research centre activities
- Maintain and enhance the KAVHA website, incorporating new branding and visitor-focused content
- Develop and maintain content to promote KAVHA and Norfolk Island for audio visual display in the Norfolk Island airport arrivals area in conjunction with NIRC.
- Implement the KAVHA Development Control Plan, and contribute to the review of the NI Plan

HMP Strategic Priority 4 – Education and Information – *Strengthen appreciation and respect of KAVHA's heritage by presenting a full range of stories*

- Implement and launch priority interpretation projects:
 - Wayfinding system and markers
 - Interpretation signage refresh
 - Point Hunter and Pier Precinct waypoints
- Establish partnership arrangements to trial the digital app to support interpretation of KAVHA with video, audio and information stops linked to waymarkers
- Participate in, and collaborate with, the Australian Convict Sites Steering Committee to promote KAVHA and its linkages to other convict sites
- Collaborate with the Norfolk Island Museum and Research Centre and other partners to tell the multi-layered stories of KAVHA
- Support community and school involvement in interpretative activities
- Investigate introduction of other agricultural patterns (field boundaries) or uses to interpret former productive gardens/history of self-sufficiency

HMP Strategic Priority 5 – Governance and Capacity - *Support arrangements to foster collaboration, shared information, accountability and transparency*

- Identify, seek approval, plan for and progressively implement improved governance arrangements to increase the transparency, accountability and sustainability of KAVHA
- Support the operations of the KAVHA Advisory Committee and CAG, including the review and update of membership and terms of reference prior to expiry of current terms
- Implement engagement, reporting and accountability mechanisms to support the integration of maintenance, museums and research centre functions with Commonwealth actions at KAVHA
- Undertake regular liaison sessions with NIRC staff responsible for KAVHA museums, capital works and maintenance projects
- Establish a property management framework and create lease arrangements for tenanted Commonwealth-owned properties within KAVHA, and renewal of expired/expiring KAVHA Leases
- Continue project to take stock of and digitise KAVHA records in a database/library that is comprehensive, searchable and easily accessible

SECONDMENT - MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE SECONDMENT OF
NORFOLK ISLAND REGIONAL COUNCIL (NIRC) EMPLOYEES TO THE
COMMONWEALTH GOVERNMENT TO MAINTAIN THE KINGSTON AND
ARTHUR'S VALE HISTORIC AREA GROUNDS AND PROPERTIES

BETWEEN

The Commonwealth of Australia as represented by the Department of Infrastructure,
Transport, Regional Development, Communications and the Arts

ABN 86 267 354 017

AND

Norfolk Island Regional Council

ABN 60 103 855 713

DEFINITIONS

Term/Acronym	Meaning
Home Agency	The Agency that normally employs the individual employee who has been seconded as specified in the signed Individual Secondment Arrangement (ISA).
Home Agency Supervisor	The supervisor of the Seconded at the Home Agency.
Host Agency	The Agency to which the individual employee is undertaking the Secondment as specified in the signed ISA.
Host Agency Supervisor	The supervisor of the Seconded at the Host Agency.
Individual Secondment Arrangement / ISA	A Secondment arrangement, made under this MOU, substantially in the form set out in Schedule 1.
MOU Delegate	The delegates at the agencies or their authorised representative who sign and authorise this MOU.
Party or Parties	Means the agencies who agree to this MOU.
Seconded	The person who is "loaned" from their Home Agency and embedded in the Host Agency in accordance with the terms of this MOU and relevant ISA.
Secondment Manager	The Agency point of contact for management of the Secondment, who may also be the Home Supervisor or Host Supervisor.
Secondment term	The period between the commencement date and the termination date (inclusive) of the ISA.

Note: The Terms, Acronyms and Meanings provided above also apply to each Individual Secondment Arrangement.

For the purposes of this MOU, the Home Supervisor and Host Supervisors occupy the following roles (or such other persons as a Party notifies the other Party in writing):

Party	Representative	Position	Address	Contact Details
Commonwealth	s22(1)(a)(ii)	Director – On-island Team, Norfolk Island Branch	New Military Barracks, Quality Row, Norfolk Island	Telephone s22(1)(a)(ii) Email s22(1)(a)(ii)@nlk.regional.gov.au
Norfolk Island Regional Council	s22(1)(a)(ii)	Manager Corporate & Finance	39 Taylors Road Norfolk Island	Telephone s22(1)(a)(ii) Email s22(1)(a)(ii)@nirc.gov.nf

SECONDMENT

This Memorandum of Understanding (MOU) came into operation on 1 July 2022 and will continue until terminated by all parties.

1. Parties

1.1 This MOU is made between the following parties:

Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts
ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory.
(Host Agency)

Norfolk Island Regional Council ABN 60 103 855 713 of 39 Taylors Road, Norfolk Island 2899, a body politic constituted under the *Local Government Act 1993* (NSW)(NI) as applied by the *Norfolk Island Act 1979* (Cth) (NIRC).
(Home Agency)

2. Overview

2.1 The Host and Home Agencies (the Parties) agree when a [Schedule 1 - Individual Secondment Arrangement \(ISA\)](#) is signed, the Secondment will take place on the terms and conditions set out in this MOU and the ISA between the Home Agency and the Host Agency.

3. Operation of the MOU

- 3.1 This MOU will continue until terminated by all parties by giving at least 30 days written notice.
- 3.2 Termination of this MOU will terminate any Secondment made under it.
- 3.3 This MOU can be varied if agreed in writing between the MOU Delegates or their authorised representatives.
- 3.4 Unless agreed otherwise by both Parties, this MOU will only be reviewed if an extension is proposed and accepted. This review will examine the roles and responsibilities of each of the Parties and the governance arrangements (if any).
- 3.5 Each Party acknowledges the importance of this MOU and confirms its intention to comply with its terms as they apply to that Party. However, this MOU is not intended to create legally enforceable obligations between the Parties.

4. Agreed Terms

4.1 Secondment arrangement

- 4.1.1 A Secondment must be facilitated using the relevant ISA and will not exceed the end date of MOU, subject to clause 4.1.

4.2 Employment status for all Secondees

- 4.2.1 The Secondees will remain employees of the Home Agency and subject to the terms and conditions of employment of the Home Agency.
- 4.2.2 Any variation to the Secondee's employment conditions will be negotiated between the Secondee and the Home Agency. The Host Agency will be consulted prior to the variation coming into effect, if such variations will have any financial impact on the Host Agency or significantly affect the Secondment in any way.

4.3 Salary and benefits and other costs

- 4.3.1 The Home Agency will remain responsible for payment of the Seconded's salary and related benefits, including allowances, overtime flex-time and leave accruals, and superannuation during the period of the Secondment and for administering such payments.
- 4.3.2 The Host Agency agrees to pay the Home Agency the total amount representing the Seconded's salary and related benefits covering each three month period of the Secondment via an invoice within 30 days of receiving an invoice

4.4 Leave

- 4.4.1 During the Secondment, the Seconded will be eligible to apply for any accrued leave entitlements from the Home Agency.
- 4.4.2 During the Secondment, annual leave will first be approved by the Host Agency Secondment Manager, upon confirmation through the Home Agency Secondment Manager that adequate leave balances are available for use. This will then be forwarded to the Home Agency Secondment Manager for approval.
- 4.4.3 The Host Agency must provide written notice to the Home Agency within 10 days of the type and amount of leave taken by the Seconded.
- 4.4.4 The Home Agency will facilitate administration of leave taken by the Seconded during the period of Secondment and ensure leave records are updated accordingly.
- 4.4.5 The Host Agency is not liable to pay for any leave taken by the Seconded during the Secondment including, but not limited to:
 - 4.4.5.1 annual leave;
 - 4.4.5.2 personal/carers' leave;
 - 4.4.5.3 compassionate leave;
 - 4.4.5.4 unpaid leave;
 - 4.4.5.5 long service leave; and/or
 - 4.4.5.6 parental leave.

4.5 Performance management and relevant training

- 4.5.1 The Host Agency will provide ongoing feedback and guidance to the Seconded throughout the Secondment to support the Seconded's professional development during the Secondment.
- 4.5.2 The Host Agency will manage the Seconded as required for the proper performance of the Seconded's duties including providing direction, mentoring, and supervision as per the Host Agency's policies, standards and procedures.
- 4.5.3 The Seconded will be required to meet the mandatory training requirements of the Host Agency.

4.6 Conduct and behaviour

- 4.6.1 As an employee of the Home Agency, the Seconded will continue to be subject to the Home Agency's policies, standards and procedures and

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE SECONDMENT OF NORFOLK ISLAND REGIONAL COUNCIL (NIRC) EMPLOYEES TO THE COMMONWEALTH GOVERNMENT TO MAINTAIN THE KINGSTON AND ARTHUR'S VALE HISTORIC AREA GROUNDS AND PROPERTIES

reasonable and lawful directions. While the Host Agency will not knowingly give any direction to the Seconded, which would require the Seconded to breach the Home Agencies policies, standards or directions, it is expected that the Seconded will adhere to the [APS Values and Code of Conduct](#) and the Host Agencies [Workplace Respect and Courtesy Guidelines](#).

- 4.6.2 The Host Agency will report any disciplinary issues regarding the Seconded to the Home Agency and assist with any investigation of these issues if requested by the Home Agency.
- 4.6.3 If a Seconded's conduct comes into question under the requirements set out under this clause (other than an alleged breach of the APS Code of Conduct), the Host Agency will notify the Home Agency and the Parties will discuss and agree on the way forward.
- 4.7 **Work Health and Safety**
 - 4.7.1 In the context of WHS laws, including the *Work Health and Safety Act 2011* (WHS Act) and the *Work Health and Safety Regulations 2011*, both the Host Agency and the Home Agency will owe a primary duty of care to the Seconded to take all reasonably practicable steps to ensure the Seconded's health and safety to the extent of their influence and control under the WHS laws.
 - 4.7.2 The Host Agency and the Home Agency will consult about their shared duties under the WHS laws in respect of the Seconded as required.
- 4.8 **Confidentiality**
 - 4.8.1 All Parties agree to adhere and comply with all legislative requirements relevant to secrecy, privacy and confidentiality as applicable.
 - 4.8.2 The Home Agency acknowledges that the Seconded will not be permitted to disclose confidential or sensitive Host Agency information to the Home Agency unless the Seconded is required or permitted by law to do so.
 - 4.8.3 In accordance with obligations on the Seconded under relevant legislation, including to act ethically and lawfully, this MOU does not prevent the Seconded disclosing to the relevant authorities any suspected or actual unlawful activity at the Host Agency.
- 4.9 **Moral rights and intellectual property**
 - 4.9.1 Unless otherwise agreed in writing, all work produced by the Seconded in the course of the Secondment, and all Intellectual Property rights in that work, shall belong to the Host Agency upon creation.
 - 4.9.2 To the extent the Seconded is entitled to assert moral rights in work produced in the course of each Secondment (secondment material), the Host Agency will take reasonable steps to obtain from each Seconded all necessary consents and waivers in writing authorising the Host Agency (and all other persons authorised by the Host Agency) to do any act or omission that would otherwise infringe that person's Moral Rights.
 - 4.9.3 In this clause,
 - 4.9.3.1 'Intellectual Property rights' includes all present and future rights in relation to copyright, trademarks, designs, patents or other proprietary rights, or any rights to registration of such rights whether

created before or after the date of this agreement, and whether existing in Australia or otherwise.

4.9.3.2 'Moral Rights' means the moral rights granted to under the *Copyright Act 1968* (Cth) and includes all other rights or protections having similar effect anywhere in the world.

4.10 Conflict of Interest and Policies

- 4.10.1 The Home Agency will direct each of its Secondees to identify and disclose to the Host Agency any conflicts of interest that arise during the course of the Secondment.
- 4.10.2 The Home Agency will direct its Secondees to abide by the requirements set out in all applicable policies, standards and procedures of the Host Agency, in addition to the APS Values and Code of Conduct.
- 4.10.3 For the purposes of this clause, a 'conflict of interest' means any matter, circumstance, interest or activity involving the Secondee which may, or may appear to, improperly influence the performance of his or her duties and responsibilities during the Secondment.

4.11 Termination of Secondment arrangement

- 4.11.1 Either Party may terminate a Secondment made under an ISA by giving the other Party written notice of at least two weeks, or at shorter notice by mutual written agreement.
- 4.11.2 The Secondment may be terminated without notice when:
 - 4.11.2.1 There is a reasonable concern by either Party that the Secondee may have:
 - (i) breached the APS Code of Conduct (if the Code applies to the Secondee); or
 - (ii) If the Code does not apply to the Secondee, behaved in such a way that would otherwise represent a breach of the APS Code of Conduct if the behaviour was carried out by an APS employee;
 - 4.11.2.2 The Secondee is expected to be absent from their duties for an extended period of time;
 - (i) There is a reasonable concern by either Party that continuing the Secondment will prevent them from complying with an obligation under the WHS Act; or
 - (ii) The Home Agency requires the imminent return of the Secondee under exceptional circumstances.

4.12 Before the Secondment

- 4.12.1 The Host Agency will provide the Secondee with a job description clearly outlining the role the Secondee (including duties and responsibilities) will be performing while on Secondment.
- 4.12.2 The Home and Host Agency will each nominate a Secondment Manager and Secondment Supervisor who will be the Agency's point of contact for the duration of the Secondment.

4.13 During the Secondment

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE SECONDMENT OF NORFOLK ISLAND REGIONAL COUNCIL (NIRC) EMPLOYEES TO THE COMMONWEALTH GOVERNMENT TO MAINTAIN THE KINGSTON AND ARTHUR'S VALE HISTORIC AREA GROUNDS AND PROPERTIES

- 4.13.1 During the Secondment both the Host Agency and Home Agency have a responsibility for supporting the wellbeing of the Secondee. The Host Agency has a responsibility for day to day management of the Secondee including their wellbeing.
- 4.13.2 The Home Agency has responsibility for maintaining regular contact with the Secondee to conduct performance management processes and to inform them of changes within the Home Agency. Secondees should be kept informed about restructures, changes to workforce conditions, relocations and any other decisions that could directly impact them upon their return to the Home Agency.
- 4.14 Managing return to the Home Agency
 - 4.14.1 The Secondee and Home Agency will discuss the reintegration of the Secondee into their Home Agency at least one month prior to the end of the Secondment (or earlier termination).
- 4.15 Cooperation, consultation and dispute resolution
 - 4.15.1 The Parties agree to liaise with one another as required to ensure the effective and efficient operation of this MOU.
 - 4.15.2 The Parties will hold regular meetings (at least every three months - i.e. once per quarter) to discuss the performance of each Secondee Employee of the Secondment and other matters relevant to the Secondment and this MOU.
 - 4.15.3 In the event of a dispute arising in relation to a Secondment, the Parties will work together in good faith and first attempt to resolve at the local level within four weeks.
 - 4.15.4 In the event that differences cannot be resolved satisfactorily within the specified time then the matter will be referred to more senior levels of management within each Party for discussion and resolution.
- 4.16 Entire agreement
 - 4.16.1 This MOU records the entire arrangement between the Parties in relation to its subject matter and supersedes all prior representations, communications, agreements and understanding, whether oral or in writing.

SIGNATURES

SIGNED for and on behalf of the Commonwealth of
Australia, as represented by the **Department of
Infrastructure, Transport, Regional
Development, Communications and the Arts**
ARN 86 267 354 017 by:
s22(1)(a)(ii)

s22(1)(a)(ii)

Name of signatory

Signature

In the presence of:

s22(1)(a)(ii)

s22(1)(a)(ii)

Name of witness

Signature of witness

SIGNED for and on behalf of the **Norfolk Island
Regional Council** by the General Manager:

Andrew Roach

Name of the General Manager

s22(1)(a)(ii)

Signature

In the presence of:

s22(1)(a)(ii)

s22(1)(a)(ii)

15 June 2023

Name of witness

Signature of witness

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE SECONDMENT OF NORFOLK ISLAND REGIONAL
COUNCIL (NIRC) EMPLOYEES TO THE COMMONWEALTH GOVERNMENT TO MAINTAIN THE KINGSTON AND
ARTHUR'S VALE HISTORIC AREA GROUNDS AND PROPERTIES