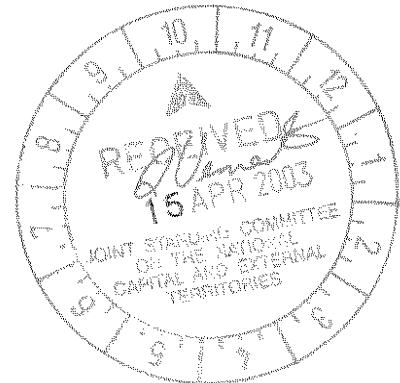


SUBMISSION 46

Senator Ross Lightfoot
Chairman
Joint Standing Committee on the National Capital and
External Territories
Parliament House
Canberra ACT 2600




Dear Senator Lightfoot

RESPONSES TO QUESTIONS TAKEN ON NOTICE RELATING TO NORFOLK ISLAND AT THE HEARING ON FRIDAY 28 MARCH 2003

Please find attached the Department's response to the questions taken on notice in relation to Norfolk Island. I would be happy to provide any clarification necessary.

Yours sincerely



Mike Mrdak
First Assistant Secretary
Territories and Local Government Division

// April 2003

**JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND
EXTERNAL TERRITORIES**

**REVIEW OF ANNUAL REPORTS 2001-2002 OF THE DEPARTMENT OF
TRANSPORT AND REGIONAL SERVICES AND THE DEPARTMENT OF THE
ENVIRONMENT AND HERITAGE**

**RESPONSES TO QUESTIONS TAKEN ON NOTICE RELATING TO NORFOLK
ISLAND AT THE HEARING ON FRIDAY 28 MARCH 2003, PROVIDED BY THE
DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES**

1. Commonwealth Contribution

**(a) What is the Commonwealth contribution to the Norfolk Island
Administration for this financial year?**

The Department does not have an accurate figure of the value of the Commonwealth contribution to the Norfolk Island Administration for the 2002-2003 financial year. The Department could seek this information from all Commonwealth agencies, for consideration by the Committee under the current inquiry into Norfolk Island Governance, which will consider issues relating to the financial sustainability of self government. We are aware that the Norfolk Island Government has been successful in obtaining grants from other Commonwealth agencies, such as the Networking the Nation grant of \$774,075 to upgrade Norfolk Island's telecommunications infrastructure.

The Department does not provide on-going funding to the Administration but it has, in the past, provided ad hoc funds to assist the Norfolk Island Administration to improve its regulatory regime, eg. the recent land initiative. The Department also provided \$520,000 this financial year for the conservation management of KAVHA and \$30,000 for an audit of information technology equipment. The Administrator is both the head of the Government and the Commonwealth's representative in the Territory and it is not possible to be precise in the split in his remuneration between these two functions. The cost of the Administrator's office in 2002-2003 is \$580,000. An interest free loan of \$3.5m was provided in 1998 for the Cascade Cliff safety project and a loan of \$5.8m is being negotiated for the upgrade of the airport.

**(b) Is this amount expected to remain the same, increase or decrease in the
next financial year? Why?**

The Department is not in a position to answer this question on behalf of other agencies. Loan amounts are settled as part of the loan agreements. Funding

has not yet been decided for KAVHA or for the Administration for 2003-2004 and no other ad hoc proposals are under consideration.

(c) Did the Commonwealth assist with the Norfolk Island Government's strategic review Focus 2002? If so, what assistance was offered to the Norfolk Island Government?

Yes. Two intergovernmental officer level meetings were held during the review. The first was between the Norfolk Island Administration and this Department and the Departments of Treasury and Finance and Administration in June 2002. The second was held between the Administration and the Department of Health and Aged Care, in October 2002.

At the meeting with the Departments of Treasury and Finance a range of issues were discussed. It was agreed that Administration officials would recommend that the Norfolk Island Government write to the Commonwealth Treasurer and Finance Minister informing them about the Focus 2002 review. The Norfolk Island Government CEO would then write to the Secretaries of the Departments seeking in principle agreement to assistance being provided by officers if required in the review process. To our knowledge this action did not take place.

We have been advised that the primary purpose of the meeting between the Norfolk Island Administration and the Department of Health and Aged Care was to provide the Minister for Health and Ageing with information in relation to the JSC inquiry into health services on Norfolk Island. The officers from the Department provided Norfolk Island Administration with several documents, which may have assisted with Focus 2002, but no further assistance was provided.

In addition to the above, the Department is aware of assistance provided by the Office of the Administrator to the Focus 2002 review through the provision of advice and information.

2. Norfolk Island Revenue

(a) The Commonwealth Grants Commission 1997 Report on Norfolk Island stated that the tax burden falls disproportionately on tourists. Would you agree with that?

This is primarily an issue for the Norfolk Island Government as revenue raising is a matter for it, under the *Norfolk Island Act 1979*. We understand however, that commenting on revenue raising measures during the meeting of the Norfolk Island Legislative Assembly on 19 March 2003, the Minister for Finance, the Hon Graeme Donaldson MLA, stated there was agreement among the Norfolk Island Government that the existing range of levies and taxes are inequitable and that they target specific areas of the community.

- (b) What strategies does the Norfolk Island Government have in place for increasing revenue to improve infrastructure and to bring services up to mainland standards?**

This is a matter for the Norfolk Island Government. The Department is unaware of any fiscal or financial major reforms undertaken since the Grants Commission's 1997 report. However, the Norfolk Island Government has commissioned Focus 2002, a whole of government review of the Island's economic sustainability. A copy is attached for the Committee's information. The report was tabled in the Legislative Assembly on 19 March 2003. The Norfolk Island Government is yet to announce its response to the report.

- (c) Would the Norfolk Island Government consider introducing an Australian taxation system or a similar system that taxes wealth or income as a means of diversifying and increasing revenue?**

This is a matter for the Norfolk Island Government.

3. Public Health

- (a) In late 2002, an independent hospital review was instigated to investigate the efficiency of the legislative and management regimes of the Norfolk Island hospital and health service. As a result of that, are the recommendations in that hospital review likely to be implemented?**

The Department is unaware of whether the recommendations are likely to be implemented. This is a matter for the Norfolk Island Government.

- (b) Is the health service on Norfolk reaching crisis point?**

The Department is unable to assess this and it is a matter for the Norfolk Island Government. The Joint Standing Committee's report on Norfolk Island Health Services was presented on 6 July 2001. Federal health officials visited Norfolk in late 2002. A final response can be prepared once the response from the Federal Health and Ageing Minister is received. The independent review (above) has been drawn to the health portfolio's attention.

- (c) Is a new hospital required?**

This is a matter for the Norfolk Island Government. We are not in a position to comment on this matter.

(d) There is only one dentist on Norfolk Island – is this in line with mainland standards for the equivalent sized communities?

This is a matter for the Minister for Health and Ageing. The Dental Statistics and Research Unit at the University of Adelaide states that the Australian supply of dentists is currently around 43 per 100,000 or 1:2326. The ordinarily resident population of Norfolk Island was 2037 at the time of the August 2001 census, with an additional 564 tourists and visitors.

(e) Australian citizens residing on Norfolk Island who pay the Medicare levy still cannot access Medicare services on the mainland. Is this an issue that is likely to be addressed?

This is a matter for the Minister for Health and Ageing. The issue of whether the Medicare system, in whole or in part should be available on Norfolk Island is addressed in the JSC inquiry into health services. It is expected that other issues relating to Medicare would be addressed in the Commonwealth response to the inquiry, which will include the response from the Minister for Health and Ageing. The Department understands that Australian citizens residing on Norfolk Island can apply for an exemption from paying the Medicare levy on the basis that they reside on Norfolk Island

4. Waste Management

(a) When is the new waste management facility on Norfolk Island likely to be up and running? Will it conform to mainland standards?

This is a matter for the Norfolk Island Government. The Department understands that construction of a waste collection and sorting facility at the airport is nearing completion. The Department understands that construction and operation of the facility was approved by Norfolk Island planning authorities in accordance with the applicable planning and environmental laws and after community consultation.

(b) How is asbestos removed from the Island? Are mainland standards of asbestos removal in place?

This is a matter for the Norfolk Island Government. The Department has received assurances from the Norfolk Island Administration that it will comply with mainland standards when involved in removal of asbestos (see (f) below).

- (c) There are some government buildings , particularly in Kingston, that are targetted for asbestos roof removal. What buildings are they and what budget, if any, has been set aside for the removal of that asbestos sheeting?**

The Department is not aware of any government buildings on Norfolk Island that have been specifically targeted for asbestos removal. The Department is aware that roof tiles containing asbestos on some buildings within KAVHA are being progressively replaced by the Norfolk Island Administration, as part of its ongoing cyclic maintenance program, as roofs near the end of their life span. These include the Old Military Barracks, Quality Row Cottages, New Military Barracks, Beach Store, No 1 Quality Row, the Commissariat store and the east Annexe of Government House. These buildings are maintained by the Norfolk Island Administration. The KAVHA Board manages the overall conservation of the area, but it is an advisory Board. Its primary roles are to endorse the expenditure of funds from an Administration's Revenue Fund Account comprised of funds provided by the Norfolk Island and Commonwealth Governments and provide advice on the conservation management of KAVHA.

At its meeting of 4 March the KAVHA Board noted the project managers report that removal of asbestos is progressing and that works will be carried out over a six to seven year period at a cost of \$50,000 per year. He also advised the Board that the works would be carried out by the Norfolk Island Administration in accordance with the relevant provisions of the National Award.

- (d) What is the immediate plan and the long-term plan for the removal from the Island of stored asbestos sheeting and sheeting that is likely to be removed from government and other buildings on the island?**

This is a matter for the Norfolk Island Government.

- (e) What correspondence is available confirming that asbestos is being removed in accordance with mainland standards?**

Relevant correspondence is attached:

1. Email from the Norfolk Island Official Secretary to the Department of 27 February 2003 regarding Ms Quintal and Government House Roof Tiles
2. Extract of a Note for File – re a meeting on Norfolk Island between the Department and Norfolk Island Administration officers prepared by Mr Adrian Beresford-Wyllie – 5 March 2003
3. Extract from the draft Minutes of the KAVHA Board of its meeting of 4 March 2003.

DRAFT

**MINUTES OF 41ST KAVHA BOARD MEETING
TUESDAY 4 MARCH 2003
KINGSTON NORFOLK ISLAND**

Present: Mr David Buffett, Chair, NIG; Mr Geoff Gardner, NIG; Mr Adrian Beresford-Wylie, DOTARS; Ms Jane Lennon AHC, Mr Tony Messner, NI Administrator, Ms Trudy McInnis, DOTARS; Ms Kirsty Altenburg, AHC, Mr Puss Anderson KAVHA Project Manager; Ms Lisa Richards, NI Museums; Ms Jan Christian, KAVHA Secretary.

Apologies: Mr Nigel Erskine NI Museums

C1: Project Manager's Report

Mr Anderson gave an overview of his report, with particular emphasis on advice contained in its attachment.

Mr Anderson noted that work originally scheduled for roof replacement on the Commissariat Store, as part of the 2002-2003 KAVHA Works Programme, has been rescheduled for completion in 2003-2004. He said that this is due to extended negotiations that occurred between the Restoration Team and the Administration regarding adequate safety provisions for the removal of asbestos.

Mr Anderson advised that this issue has been resolved with the Administration and agreement has been reached for work to be undertaken in accordance with the relevant provisions of the National Award. He said that the removal of asbestos from buildings in KAVHA is now progressing.

Mr Anderson said that there are a number of buildings that still contain asbestos and that this will be removed over the following 6-7 years at a cost of \$50,000 per year. These buildings include: OMB, Nos. 7,8 Quality Row, part of Nos. 6,5 and 1 Quality Row, Pier store, NMB, part of the Commissariat store. The product being used for roof replacement is a Hardiflex wood based product.

Ms Backhouse ^{added}
Tuh
Perle^m

Mr. Atwood,
a copy of that
NI note for file
r-7c
ABW

NOTE FOR FILE

Discussions with Luke Johnson, Acting CEO, and Lynette Beban, Deputy Crown Councillor (only for Airport Loan issue), Norfolk Island Administration. Administration Offices, Wednesday 5 March, 9.45 am

Removal of Asbestos from Buildings in KHAVA

I noted that I had intended to discuss this issue with Mr Terence Grube of the Administration and Ms Denise Quintal, a resident on the Island but that Mr Grube was unavailable. I noted the exchange that had occurred between the Official Secretary's Office and the Administration and Mr Grube's advice that the removal of

asbestos was a matter for the Norfolk Island Administration with the removal being carried out in accordance with safe working practices in line with Australian standards. I also noted that I had raised this issue at the previous day's meeting of the KAHVA Management Board and that Mr Anderson, the Project Manager had assured the Board that the asbestos removal was being removed using National award regulations. I stated that it was important from the Commonwealth's view that safe working practices be adhered to.

Mr Johnson noted the points and confirmed his understanding that Australian standards were being applied for the removal.

Adrian Beresford-Wylie
Adrian Beresford-Wylie
Self Governing Territories

Backhouse, Margaret

From: Walsh, Owen
Sent: Thursday, 27 February 2003 9:23
To: Wotton, Katrina
Cc: McInnis, Trudy
Subject: FW: Ms Quintal and Government House roof tiles

fyi

-----Original Message-----

From: Owen Walsh
Sent: Thursday, 27 February 2003 9:47 AM
To: 'grhead@admin.gov.nf'; 'Lynette Beban'
Cc: 'Terence Grube'
Subject: Ms Quintal and Government House roof tiles

Morning all

As discussed, Ms Quintal appears to be focussing on the following in an attempt to drag Commonwealth agencies into this matter to embarrass the Administration:

- (i) Government House sits on land owned by the Crown in right of the Commonwealth.
- (ii) Government House is within KAVHA, which is subject to the KAVHA Management Board, which includes Commonwealth representative and spends federal funds to maintain KAVHA.

I have previously tried to explain to Ms Quintal that the above are irrelevant. That is, the situation is the same as the regulation of industrial / commercial activities on Crown land (eg, enforcement by the Administration of crushing licences issued under NI laws governing Crown land) and accidents on Crown land (eg, the recent Mt Pitt accident and earlier accidents in public reserves - which are also Crown land).

I have also previously advised Ms Quintal that:

- (a) The KAVHA Management Board has no legal personality or authority. Its primary role is to endorse the expenditure from an Administration's Revenue Fund Account comprised of funds provided by both the Norfolk Island and Federal Governments. Works funded from the KAVHA Trust Account are then carried out by the Norfolk Island Administration.
- (b) Government House's buildings, while on Crown land, are maintained by the Norfolk Island Government / Administration (ie, through joint NI-Commonwealth funding as explained above). Its officers and employees obtain, install etc the materials used on Government House and other public buildings on Norfolk Island and supervise all such work.
- (c) Activities on and management of Crown land on Norfolk Island - including Government House - are governed by laws enacted and administered by the Norfolk Island Government (ie, including laws on planning, public health, OHS, public reserves etc).
- (d) Government House is occupied and used as the residence of the Administrator. Legally, the Administrator forms part of the Executive Arm of the Norfolk Island Government. The fact that his or her role also

includes acting as the Federal representative on-island is irrelevant. The Administrator has no role in such matters, and, even if he or she did, the Administrator would seek and act on the advice of the Norfolk Island Government.

(e) Ms Quintal has already been advised by the Administration that the Government of Norfolk Island is responsible for the matter of asbestos removal and that Administration personnel involved in the removal and disposal of asbestos - as in this case - will ensure that the relevant guidelines are being adhered to.

(f) This Office has been advised by the responsible Administration officials that the roof tiles containing asbestos will be removed from Government House and disposed of in accordance with all applicable laws and guidelines. My understanding is that roof tiles containing asbestos fibre cement products generally have a much lower risk than say loose asbestos insulation or lagging as they are harder and are less friable. I also understand that there is no cutting or drilling of tiles during removal and that sheeting or tiles are removed with minimum disturbance and the surfaces wetted, all of which reduce the potential for free fibres.

I have also pointed out to her that, on that basis, His Honour and Mrs Messner have continued to reside in Government House while the works she is so concerned about are taking place (ie, the people directly affected are satisfied with the OHS and safety advice from the Administration - why not her).

(g) The use of Headstone for waste disposal - including disposal into the sea - was lawful and "approved" under NI laws by NI officials prior to the commencement of the EPBC Act, which therefore does not apply (see section 523 of the EPBC Act).

Owen