

**Norfolk Island 2006
Submission**

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**NORFOLK ISLAND RESIDENT
- RON NOBBS
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Submission to Commonwealth Grants Commission

Norfolk Island - Draft Terms of Reference - April 2006

Introduction

I write this as a private permanent resident of Norfolk Island, born and bred, who whilst having lived elsewhere at times, last returned to Norfolk Island 12 years ago.

This submission encapsulates my personal views on issues which I hope will assist the Grants Commission in its investigation.

These views should not be taken as reflecting that of either the Norfolk Island Government or the Legislative Assembly, both of which I am a member.

I will leave official comment on the Norfolk Island finances to the formal Norfolk Island Government submission to the Grants Commission, which is currently being prepared.

However, a general comment in relation to the islands finances is that there has been considerable misinformation circulating in the community, particularly by opponents of proposed reform. Further, I must add that it is unfortunate that the Australian Government appears to have received some extremely poor advice.

In assessing the cold hard facts of revenue and expenditure which, in my interpretation, form the basis of the draft Terms of Reference handed to the Grants Commission by the Australian Government, may I respectfully suggest that the Commission as an independent advisor to the Australian Government look beyond the script.

I was a willing participant in the Grants Commission activities during its visits to Norfolk Island in preparation of what became known as the 1997 Grants Commission Report on Norfolk Island. I considered it, as did others, a fair report. Of particular interest to me was the fact that, among other things, the report encapsulated some finer points as to the real meaning of Norfolk Island and the specific reasons why the island was as it was.

Norfolk Island has always been considered different and so, in my experience, have been its people. I think from memory the Commission used the term "unique" in 1997.

It is interesting to note that this difference has resulted in what may be best described as periods of conflict at a political level between Norfolk Island and Australia. Such has occurred in my time and I can assure the Commission that were my father and grandfather still alive, they would attest to similar in their time.

There are issues which both the Australian Government and Norfolk Island Government need to address. There are adjustments required by the Norfolk Island Government.

However, a complete takeover by the Australian Government, which is apparently proposed, is neither acceptable or in reality in the best interests of either Government or the people they represent.

The Primary Focus

The primary focus of any assessment of a community must be the welfare of those who make up that community.

Reference to welfare is precisely to health, happiness, prosperity and well being in general of a community and not to what now appears as the accepted normal reference to welfare as being Government handouts. Not that I do not agree with assistance to the needy but the Australian system appears not totally about that.

Within the word welfare, as it relates to a community and as per my interpretation above, are many contributing facets and I often wonder at the difficulties in assessing each facet in comparison to some other community which may be considered as "normal".

I often wonder as to the value and sense in comparing say A class roads as against B class roads in situations such as those where the roads are to an acceptable standard to the community. In such situations the comment should be - so be it. Too often such issues are politicised for what may be a variety of reasons. Unfortunately most relate to self gratification by politicians and I say that accepting my other life.

It is extremely difficult for people to understand how facilities that a community may accept as quite adequate are considered inferior in the eyes of others. This is even more difficult when their facilities are compared to others of which they know little.

The Real Issues

A real issue is the "normalisation" of Norfolk Island, as it appears that the island does not fit neatly under current Australian political arrangements. Under the guise of some catch cry invented by Canberra that "no Australian is disadvantaged", which is hypocrisy at its finest, advisors to the Australian Government have seized on the islands current financial position.

It is interesting to note the island has from time to time been in a similar position to that it finds itself in to-day, in fact one such period was around the time of compiling of the Commissions 1997 report.

The islands current financial position is not assisted by a down turn in the local economy over recent years caused by a reduction in tourism and a reduction in building activity. The latter is related to a mini building boom which was caused by the restriction on construction tourist accommodation being lifted. This restriction was subsequently re-imposed, which saw a marked contraction in the building industry. Subsequently, the industry has not been assisted by the general down turn in the economy.

It may be considered impudent of me to suggest that the Commission should first visit what I would class as the real social and cultural issues, which do not appear to be given any consideration in their Terms of Reference.

I was aghast at the gun boat diplomacy utilised by the Minister Responsible for Territories and his staff when the Minister presented us with his decree during his recent visit. There was obviously no consideration or concern as to the implications of the proposed course of action on individuals nor the community as a whole.

There was no understanding by the Minister and his party of issues which would arise during and following their visit, the Ministers announcement nor any idea whatsoever of the implications of the proposed course of action to be taken. All of which appears to be in the name of - "normalisation".

When I sit and contemplate the real issues I can't get the Wave Hill walk off out of my mind. The walk off occurred a number of years ago but the real implications of that action are as significant to-day as they were at that time.

Whilst I spent little time around Wave Hill, I did spend some time further to the north in the Victoria River District. Unfortunately the story was all the same.

At Wave Hill were a group of Aboriginals who certainly were not your normal Australian workers, that is normal to city standards at least, for I did spend times earlier in some pretty rough camps with limited wages in the NSW bush.

In a process, which could be said to be akin to "normalisation", the Wave Hill people were convinced that in their best interest they should move from a rough camp on the flat to a rough camp in a dry creek bed.

This group of people and there were many others who also followed the lead, actually moved from a situation where they had some incentive and small recompense, to one where they had no incentive and a small handout. All in the name of political correctness or what was really their "normalisation".

There were other issues by those people who advised the Aboriginals such as the anti-foreign ownership cry, the anti-Vesteys cry as well as the reputed "improvement of the people". It concerns me that in all such issues there is more than one "good" reason to take a course of action. There is an inference in this as to what is proposed for Norfolk Island.

The emphasis was on the walk off, the press that accompanied it and the reputed advancement of the Aboriginal people. Some of the proponents are still dining off their the success of the walk off.

The sad part and in fact I would class more as criminal, is that there was no plan to provide alternate employment, no plan for the future - just have them walk off and leave them to it. I find it difficult to accept that the organisers were not well aware of the potential consequences.

I think members of the commission are aware that as a result of the walk off some families have not worked for three generations, kids have never seen their fathers and grandfathers work. What sort of incentive is this, but I guess they have been "normalised".

My understanding is that the Indian Ocean Territories have been "normalised" and also my understanding is that there are a significant number of island people on the dole. In response to this some Canberra experts say that we can't compare Norfolk to the Indian Ocean peoples plight as "there was nothing there anyhow before they were normalised".

And there hangs a tale as in both cases mentioned above are unfortunately the realities for Norfolk Island. Major problems in the case of both the aboriginal people and Indian Ocean people are related to isolation and attendant difficulties in establishing, let alone maintaining, viable and stable economies. The issues are potentially significant to Norfolk Island.

Norfolk Island has only in relatively recent times been so dependent on tourism. Prior to that it relied on agronomic pursuits. I am sure the Commission will agree neither can be considered stable industries.

Even in the limited period since tourism commenced to assume the mantle as Norfolk Islands prime industry, some 40 years ago, the industry has had its moments be they periods of boom as well as those of despair.

Dependence on one form of travel (by air), distance from its market source, cost of servicing the island both in people terms and goods and competition from other destinations has seen tourism consistently struggle.

Regardless of this the island has survived and from 40 years ago, I can assure you has flourished. This is an important fact.

Certainly there have been some hiccups along the way and the Island have been in one for several years now due principally to a glitch in each of those factors considered as constraints to tourism, as outlined above. This has been compounded by, as stated earlier, changes to the building market.

A plan was in place to provide a road to recovery and the island has been progressing along that route.

However, another constraining factor has been thrust upon the island, which is not included in the list above. This relates specifically to uncertainty caused by the path the

Commonwealth has chosen to tread. The addition of uncertainty has created a whole new dimension.

It has assured the island that whatever may have been planned along the road to recovery has been sabotaged by Cyclone Jim assisted by the former Cyclone Grant, now a tropical depression, having washed away the bridges and culverts along that road.

The ability of the Government to assist Norfolk Island and I am not referring to handouts, seems to be constrained by the process encapsulated in that word – "Normalisation". Apparently that word is the inference when using it in the context of judging Norfolk Island services against Australian services and ensuring that there remains no uniqueness.

I would respectfully contend that use of the word suggests that Australia is inferring simply - "we are the greatest".

As the Grants Commission is well aware, for I am sure you would be reminded of it most days, Australia is a wonderful country but its would be hypocritical to insinuate that it could be classified as "the greatest". My earlier observations support this and more will follow.

The Real Concerns

I see a primary concern as the Commissions current Draft Terms of Reference. It would be quite ludicrous to attempt to provide advice to the Australian Government on the current draft terms of reference without an understanding of the Commonwealth arrangements, which the Minister is attempting to inflict on this community.

To deal only with State and Municipal type arrangements is certainly interesting and the "normalisation" in relation to those functions appears to suggest some real problems in the delivery of services are all that Norfolk Island can look forward to.

I read with some concern the interim report of the Independent Inquiry into the Financial Sustainability of NSW Local Government, dated March 2006. It certainly does not paint a pretty picture of local government in the most populous Australian State where local government has been in existence since 1842. Our forebears were not even planning to leave Pitcairn Island for Norfolk Island at that time.

The NSW report deals with the problems of under-spending on infrastructure annually which has compounded to the stage where \$billions are required to bring infrastructure to a satisfactory condition.

The reports 12 tentative conclusions encompass a range of areas of concern.

My understanding is that NSW is not the sole state with such problems within their local government system. The question is - does comparison of services with other areas, as

part of the "normalisation" process, also seek to maintain such failings as identified in the NSW report?

My understanding is that the NSW State Government is in serious difficulty in the current financial year and there are predictions that this will continue into the next financial year. From the public bleats by government officials in relation to distribution of the GST revenue there are obviously some major concerns, not that such difficulties are new as they happen from time to time and are not confined to any one State.

The difficulties being experienced in both NSW and Queensland with their health systems are well known. The latter is more up front but then again NSW is also having its problems with public transport. A report on the ABC program Landline recently that the town of Goulburn in NSW is currently required to truck in water, is quite frightening.

These issues may be claimed as not being relevant to the Norfolk Island situation but the Draft Terms of Reference provided to the Grants Commissions ensure that comparisons are very valid in any consideration by the Commission.

Conclusion

Norfolk Island is a unique community which has an ability to fund services to a level at least equal to and in some cases in excess of a comparable community elsewhere. It just needs to tweak its revenue and expenditure arrangements.

I think this was a fair interpretation of the Commissions conclusions in 1997, which were based on a similar economic base to what we have at present.

The issues of 1997 have been addressed in some areas, but we have not tweaked the revenue and expenditure arrangements to the extent required nor possible, although there now appears a will that has not been present in the past.

Whilst I hold a position in Government it is somewhat difficult to provide an independent submission, which, I have attempted to achieve by concentrating on obvious social concerns.

However, it would be remiss of me not to suggest real solutions to what I personally see as an under reaction by Norfolk Island and an over reaction by Australia. It has been known for some time that governance issues and financial arrangements were required to be, as I put it earlier, tweaked.

Norfolk Island gained self-government under circumstances which did not assist the actual transfer of powers nor subsequent administration. Responsibilities were transferred but title to assets, such as roads, remain with the Commonwealth. Assets were not generally in the best of condition and no depreciation fund appears to have been transferred with the responsibility for each asset. Norfolk Island in fact inherited assets

and administrative systems, which, were a direct result of years of neglect by the then Commonwealth administration.

The Grants Commission I recall made reference to such facts in its report. Unfortunately, the Commonwealth, even when reminded, has consistently refused to recognise what I consider such basic failings. Such failings were in both their previous administration, where I worked for a time but also in the critical period in the transfer of responsibilities at self-government and even thereafter.

The problems were not confined to those issues alone. The lack on the part of both Governments to facilitate a review after 5 years of self-government did not assist. Whilst not being involved at the time, I am inclined to blame the Commonwealth for this failing, by not insisting the review occur. My reasoning is that I recall the NT was not too keen on the first 5 year review but it certainly happened, with significant implications for the Territory.

I have been consistently amazed at the investigations and the use of committees, largely parliamentary, consultants, usually from Canberra, and other "experts" in what has been in my view a systematic and virtually serial harassment of the Norfolk Island community and its government by the Commonwealth Government particularly in the past 15 to 20 years.

These investigations have been costly for the Norfolk Island community in terms of resource utilisation as well as financially. One may even suggest that there was and it is particularly evident to-day, a strategy to overcome the community by sending it broke to the stage where it puts up its hands and surrenders.

If that were not the case I question the piles of reports in my office, all the responsibility of the Commonwealth, which even at a younger age I could not jump over and for which no meaningful follow up action has occurred.

Despite all those problems, as outlined above, I have recognised for some time that the current "system" has its difficulties and there is a need for change by both the Norfolk Island Government and the community. Such changes could be undertaken alone but it would be advantageous to have some assistance from the Commonwealth in at least being positive in facilitating such change.

My personal view is there are 7 basic steps involved and I must say there has been considerable work progressed and continues to be progressed:-

Step 1 - Legislative Assembly and Governance - any reforms should commence at the top. It is important to revamp the Legislature whilst retaining all current responsibilities.

Step 2 Government Functional Review - clarify what the community wishes the government to maintain.

Step 3 - Public Sector Organisation – reform/revamp is long overdue

Step 4 - Social and Health Services - high cost area which requires major attention.

Step 5 – Tourism - urgent attention as to what the island offers in facilities, services etc

Step 6 - Finances – require attention including additional income and diversification in its economy.

Step 7 – Commonwealth Government – Based on 1 to 6 above the precise roles be clarified and a policy of co-operation not confrontation be established and maintained.

The latter point is possible but this current assault by the Commonwealth is driving a very divisive wedge between Australia and Norfolk Island. I am concerned at the potential as we move into the future.

In summary may I respectfully broadly comment on the Draft Terms of Reference given to the Grants Commission.

May I suggest that the implications of a wide raft of what could be classified as “normalisation” taxes, rates and charges on an economy which has operated in isolation of such taxing arrangements has grave danger of becoming a very sick experiment on a unique community and particularly on the people of Pitcairn descent.

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