

**NORFOLK ISLAND**  **COUNCIL OF ELDERS**  
INASMUCH

22 March 2023

Committee Secretary  
Joint Standing Committee on the National Capital and External Territories  
PO Box 6021  
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Canberra ACT 2600

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**Re: Future Governance on Norfolk Island**

By Media Release issued Thursday, 9 February 2023 the Australian Government announced;

*The [Joint Standing Committee on the National Capital and External Territories](#) will examine restoring local government on Norfolk Island as part of a new inquiry.*

*The Committee will examine different models of local government and revenue collection to determine the most appropriate approach that accords with the culture of Norfolk Island and provides for a financially sustainable future.*

*"This inquiry is about the future of Norfolk Island, its governance and economic sustainability," said Committee Chair [Alicia Payne MP](#). "Most importantly, the inquiry is focused on improving democracy for people on Norfolk Island."*

*"The views of the local community will be central to this process," Ms Payne said.*

*The Committee plans to visit Norfolk Island over the coming months to hear directly from Norfolk Islanders about what they would like for their community. People seeking to participate in the inquiry can engage with the Committee in a number of ways including by making a submission, at an upcoming public meeting or confidentially.*

*Submissions to the inquiry will remain open until 24 March 2023.*

Putting aside the experience of the previous JSC Inquiry and its' profound consequences that significantly burden both Australia and Norfolk Island today; at the outset of this next JSC Inquiry, it is hard to understand how a repeat 'process' by an external Committee which does not include Norfolk Island elected representation, can possibly claim *"Most importantly, the inquiry is focused on improving democracy for people on Norfolk Island."*

The provision of less than 2 months to make submissions and 2 days for public hearings is interpreted as meaning the outcomes from this Inquiry are (once again) pre-determined. If this is not the case then it is necessary to explain why the *"different models of local government"* that are to be examined were not made available to the Norfolk Island community to also consider and contribute information to equally inform the Committee's consideration. This is not democracy when those impacted by the recommendations and decisions that will flow from this Inquiry, are excluded by limiting our participation.

The problem with this narrow approach can be seen in the history of Australia's intervention into Norfolk Island's governance arrangements. Simplified;

- 1979 Norfolk granted limited self-government by Australia, under which the island elected a Legislative Assembly that ran most of the island's affairs. The terms of the granted self-government were not honoured by the Australian government who failed to undertake the 5-year reviews and also removed all capacity for the island administration to share in the income from their natural resources as an important source of income. Overrule and veto provisions worked contrary to the will of self-government
- 2006 Formal review by Australian Government informed by the Centre of International Economics (CIE) Report, decides no changes in the governance of Norfolk
- 2010 Financial problems and drop in tourism following the global financial crisis led to Norfolk's administration appealing to the Australian Government for financial assistance. The Australian government legislated that Norfolk Island could not seek funding from anywhere but Australia
- 2011 Norfolk Island Government signs an intergovernmental Agreement with the Australian (Labour) Government, which agrees inclusion of Norfolk Island within the Australian taxation system in exchange for access to services needed by the Island community. Nowhere in the bilateral agreement (known as the Roadmap) is there any provision or intention that these changes are in exchange for surrendering the Island's Territory government
- 2014 CIE Reports into the economic impacts of extending Commonwealth legislation and programmes to Norfolk Island. Among the impacts identified include;
- A fall in GDP for at least 5 years
  - Substantial falls in household incomes for up to 8 years
  - Heavy regulatory and compliance costs for small businesses and individuals
  - Higher input costs for employers, especially in wages and superannuation contributions
  - Rises in unemployment and loss of on-island jobs
  - Much higher taxes on Norfolk Island residents than their mainland counterparts
  - Funding for some services and programmes becoming dependent on agreement from other states and territories to admit Norfolk Island into the GST scheme; and
  - The need for NIG to impose substantial new taxes such as a much higher consumption or payroll tax.
- 2015 Australian Government abolishes Norfolk Island's sitting Parliament against the wishes of the Norfolk Island Legislative Assembly and without consulting the people. A referendum conducted by the sitting government showed 68% voted against forced changes. An Australian appointed Administrator and advisory council subsequently installed
- 2016 Australian government contracted consultants pursue a frantic 12-month mission to assume all Norfolk Island's public instrumentalities, asset inventory and resources; and replace them by applied law under the New South Wales local government framework despite Norfolk Island not being part of the State of NSW.
- Elections for the new Norfolk Island Regional Council (NIRC) held and an Australian appointed General Manager for the NIRC is appointed

- 2016-2020 NIRC reporting under the regulated Integrated Framework repeatedly report problems in meeting their obligations for reasons that were not understood and overlooked in the 12 month period (2015-2016) of installing the regional council. Most of these shortcomings can be attributed to local government being an instrument that sits under State machinery of government – none of which are in place in Norfolk Island – effectively making the NIRC as a regional council a colonial misfit.
- 2021 Nominations for the 2<sup>nd</sup> term of NIRC elections were published but before the community could proceed to vote the federal Minister placed the Council on temporary suspension followed by sacking Councillors for claims of poor performance. An Australian appointed Administrator was installed and since this time Norfolk Island is completely governed externally, taking no responsibility for the inevitable failings of the imposed arrangements.

The reality is both Australia and Norfolk Island cannot have a repeat of another JSC Inquiry making assessments and recommendations on something that seems foreign to your understanding.

The predicted consequence of the 2016 imposed changes that were identified by the CIE in their 2014 assessment were ignored and in fact are the reality of the Norfolk Island situation today.

Governance needs in an isolated Pacific Island community of around 3,000 residents, is not the same as governance needs of a large nation with a 3 tier machinery of government model servicing a fast growing population of 28 million residents.

Trying to fit a square peg in a round hole is the critical error Australian governors and governments have made since Denison in 1857 to Briggs in 2015. The result is 166 years of uncooperative relationships between Australia and Norfolk Island driven by colonial behaviour of interference rather than support, and imposed governance arrangements that are a fit for Australia not Norfolk Island.

The waste of time and resources, and the intergenerational trauma that impacts Norfolk Islanders consequent of the dysfunctional relationship must stop.

What is needed now is respect, understanding and co-operation from the Commonwealth Government: Such cooperation is not confined to provision of funding.

Australia's three levels of government are:

- federal Parliament—makes laws for the whole of Australia
- 6 state and 2 mainland territory parliaments—make laws for their state or territory
- over 500 local councils—make local laws (by-laws) for their region or district.

How the federal and state parliaments work together is referred to as the division of powers.

The 2016 imposed council imposed in Norfolk Island not only lacks provision to make local laws; Norfolk Island is not part of any of the 6 states of Australia and so this sloppy arrangement of negotiating with whoever ie NIRC, QLD, NSW, and even worse a federal department assuming the authority of decisions of the State for Norfolk Island – these are core level problems that make local council completely inappropriate for the Island and compound the failings of democracy, sustainability and progress.

To make any assessment of the 'next' version of what's right for Norfolk Island the Commonwealth must accept that a local council model will never work without the full supporting machinery of government that is provided at state and territory government levels.

The Commonwealth must look honestly at the cost of using the regional council model on Norfolk Island compared to the cost of Norfolk Island's territory model which for 39 years of near self-

sufficiency only ever called upon the Commonwealth for infrastructure investment that was beyond the capacity of the small population to fund. This simple and successful system provided democracy, measured progress, productivity, and a peaceful community of good moral citizens – an asset that should be respected and shared rather than diminished through lack of understanding.

Had the Australian government honored the terms of the granted self-government and undertaken the 5-year reviews and provided capacity for the island administration to share in the income from their natural resources and other important sources of income, Norfolk Island would without doubt enjoy a successful and co-operative relationship in free association that meets the needs of both jurisdictions and is consistent with the covenants and ways of the modern world.

This is the opportunity before this Joint Standing Committee now – to put an end to cycles of irresponsible recommendations and imposed injustice, and to have the will and vision to see there is a practical path to modern governance, sustainability and peace.

**The Norfolk Island Council of Elders say, with respect, the Australian regional/ local council model is not suitable for Norfolk Island.**

Norfolk Island is a distinct and separate territory and is entitled to territory government which is what needs to be restored. Improvements on the 1979 model are needed and this is agreed. This is the level of assessment and recommendation that representatives from Australia and Norfolk Island should be working on, which could be achieved in the body of work (titled the *'Norfolk Island and the Commonwealth of Australia: A better future, together'*) that we and the Norfolk Island People for Democracy have been working directly with the Minister responsible for Norfolk Island and her department to achieve. This opportunity is shared in a separate submission to this Inquiry.

There must be a change of mindset in respect of Norfolk Island to a modern and enlightened understanding that respects the fact that we are a different and unique community, and not a threat to a single society on the planet. Our desire to maintain our role as the custodians of the land, ocean and air that we call Norfolk Island, is not difficult to understand or appreciate. There is no agenda on our behalf other than to continue to care for all that is sacred and reverent to us. And in carrying these responsibilities, we recognise and value that to continue to do what we do requires people and resources outside of our limited capacity and we embrace this assistance when it is appropriate and well intentioned.

Norfolk Island is a model of building community and peaceful citizens in harmony with the natural environment. Rather than continue to try and crush something that is a needed influence world over, why not embrace the value of our ways so they might grow beyond the sphere of the Island.

It is our respectful request to this Joint Standing Committee to make the needed right decision to put Norfolk Island and Australia on new and solid footings that allow us all to move forward with our own priorities and values intact and supported by shared understanding. In this regard **we ask that your recommendations support our desire for a return to self-government with the supporting mechanisms to enable this, and secure statutory provisions that prevent history repeating itself.** To this outcome, we offer our unconditional support in a co-operative approach to Norfolk Island's future.

[REDACTED]

David Buffett  
President

[REDACTED]





**Elders response to the stated Terms of Reference;**

#	Terms of Reference	Council of Elders response
1	alternative approaches to property-based taxation revenue collection ('land rates') that are appropriate and equitable for the Norfolk Island community	<ul style="list-style-type: none"> <li>➤ Land rates are culturally inappropriate in Norfolk Island and unfairly tax only part of the community</li> <li>➤ A local levy that is retained on Island to fund local needs is appropriate.</li> </ul>
2	whether the categorisation of the Norfolk Island Regional Council as a 'Rural Council', for the purposes of the Local Government Act 1993 (NSW)(NI) results in an appropriate quantum of funding given the geographic remoteness and population density of Norfolk Island	<ul style="list-style-type: none"> <li>➤ The Council model is a demonstrated waste of taxpayer monies and inadequate for the Norfolk Island community</li> </ul>
3	the impact of limiting access to state-partner grants on the financial sustainability of the Norfolk Island Regional Council	<ul style="list-style-type: none"> <li>➤ NIRC regional council is not appropriate</li> <li>➤ Need to harmonise and eliminate State partnerships</li> </ul>
4	the relationship between property-based taxation and the delivery of commensurate local government services	<ul style="list-style-type: none"> <li>➤ Duplication and no benefit for property based tax</li> <li>➤ Incompatible with local culture</li> <li>➤ Low percentage of payers across whole community</li> </ul>
5	the resilience and sustainability of current and alternative revenue approaches, noting the impact of COVID-19 on Norfolk Island's economy	<ul style="list-style-type: none"> <li>➤ Current NIRC/ regional council model not sustainable for local businesses</li> <li>➤ Working people no longer able to hold multiple jobs due to high taxes</li> </ul>
6	the current governance model that supports the Norfolk Island Regional Council under the Local Government Act 1993 (NSW)(NI)	<ul style="list-style-type: none"> <li>➤ Undemocratic and unethical</li> <li>➤ Has the consequence of a house built upon sand</li> </ul>
7	alternative approaches to local government and local representation utilised across Australia	<ul style="list-style-type: none"> <li>➤ The solution is to be found in respecting the Territory model of government for Norfolk Island and enabling the proposed work under the '<i>Norfolk Island and the Commonwealth of Australia: A better future, together</i>' to collaboratively facilitate this.</li> </ul>
8	whether alternative approaches sustainably achieve the key outcomes of local government	<ul style="list-style-type: none"> <li>➤ The solution is to be found in respecting the Territory model of government for Norfolk Island and enabling the proposed work under the '<i>Norfolk Island and the Commonwealth of Australia: A better future, together</i>' to collaboratively facilitate this.</li> </ul>
9	whether alternative approaches equitably increase local representation and decision-making	<ul style="list-style-type: none"> <li>➤ The solution is to be found in respecting the Territory model of government for Norfolk Island and enabling the proposed work under the '<i>Norfolk Island and the Commonwealth of Australia: A better future, together</i>' to collaboratively facilitate this.</li> </ul>
10	whether alternative approaches would appropriately support the additional functions the Norfolk Island Regional	<ul style="list-style-type: none"> <li>➤ The solution is to be found in respecting the Territory model of government for Norfolk Island and enabling the proposed work under the '<i>Norfolk Island and the Commonwealth of Australia: A</i></li> </ul>

	Council provide on behalf of the Commonwealth	<i>better future, together'</i> to collaboratively facilitate this.
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