

## Introduction

### The inquiry process

- 1.1 On 21 October 1999 the Minister for Regional Services, Territories and Local Government, Senator the Hon Ian Macdonald, wrote to the Committee requesting that it conduct an inquiry into the provision of health services on Norfolk Island.
- 1.2 In referring the inquiry, the Minister advised the Committee that the issue, particularly access by residents and visitors to a comprehensive range of health services, had been a major concern to the Government for some time. The Minister indicated that he was aware that health care was also of particular interest to the Norfolk Island Government.
- 1.3 The Committee had a long arranged plan to visit Norfolk Island in mid-November 1999 for general discussions and inspections and decided at short notice to expand this visit to include a public hearing for the new health inquiry. On 25 October 1999 an advertisement was placed in *The Norfolk Islander* newspaper, notifying Norfolk Island residents of the Committee's intention to visit and setting out the terms of reference for the inquiry. The advertisement invited people to make written submissions as well as oral submissions at the public hearing.
- 1.4 Advertisements inviting submissions were placed in nine national, state and territory newspapers on 29 January 2000. The Committee wrote to organisations with experience relevant to the issues raised in the terms of reference, inviting them to make a contribution. These measures generated further interest which resulted in additional submissions.
- 1.5 The inquiry received 42 written submissions, listed at Appendix A. Public hearings were held on Norfolk Island on 16 November 1999 and in

Canberra on 7 April and 19 June 2000.<sup>1</sup> In conjunction with the public hearing on Norfolk Island, Committee members inspected the facilities at the Norfolk Island Hospital and spoke to staff and patients.

- 1.6 The Committee made a return visit to the Hospital in March 2001 because there had been a number of developments in several important aspects of health care. The Committee inspected the Hospital, including various outbuildings on the premises, and a nearby property for sale which had potential as a residential aged care facility, accompanied by the new Hospital Director, Ms Christine Sullivan. This was followed by round-table discussions with the Director and other staff, and the provision of supplementary information requested by the Committee.

## **Brief history of Norfolk Island**

- 1.7 Norfolk Island is located in the South Pacific Ocean, 1 676 kilometres north-east of Sydney. Measuring only 34.5 square kilometres, and fertile, it is the only inhabited island in a small, mid-ocean, volcanic outcrop. Even by present standards of transport and communication, Norfolk Island is very remote and isolated.
- 1.8 The population of the Island is approximately 3000, consisting of a permanent resident population of 1600, about 400 temporary residents and, on any day, approximately 1000 visitors.
- 1.9 The Island was claimed for the British Crown when it was discovered uninhabited by Captain Cook in 1774. In 1788 the first British penal settlement was established, consisting of both convicts and free settlers. This settlement was abandoned in 1814.
- 1.10 In 1825 Norfolk Island was re-established as a penal colony for intractable prisoners, and again abandoned in 1855, owing to changes in public attitudes to transportation and the oppressive nature of the convict system.
- 1.11 The colony of New South Wales controlled Norfolk Island in June 1856 when the Pitcairners arrived to commence the third settlement of the Island.
- 1.12 The Pitcairners were the descendants of *Bounty* mutineers who settled on Pitcairn Island in 1790. Drought and illness on Pitcairn forced the community to request the British Government to transfer them to some

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1 All oral submissions are recorded in the transcripts which may be found on the Committee's web site at: <http://www.aph.gov.au/house/committee/ncet/index.htm>.

other appropriate place. In 1854 the Pitcairners were advised that they could relocate to Norfolk Island. Their descendants now form approximately 46 per cent of the permanent resident population.

## Relationship with the Commonwealth

- 1.13 Norfolk Island has been an Australian territory since 1914, when, under section 122 of the Constitution, it was accepted as a territory under the authority of the Commonwealth of Australia.
- 1.14 Norfolk Island is now administered in accordance with the provisions of the *Norfolk Island Act 1979*. With this Act the Australian Parliament conferred a substantial measure of self-government on Norfolk Island as a territory under the authority of the Commonwealth. These powers are greater than those held by the states and territories.
- 1.15 Norfolk Island is not covered by Commonwealth legislation unless it is specifically mentioned in a particular Act. For the purposes of this report it is important to note that the *National Health Act 1953*, the *Health Insurance Act 1973* and the *Aged Care Act 1997* do not apply to Norfolk Island.
- 1.16 The Commonwealth Department of Transport and Regional Services (DOTRS) has a responsibility to ensure that the governance of Australia's territories meets local and national needs. Hence it plays an important role in overseeing affairs on Norfolk Island.
- 1.17 The Self-Governing Territories Section, located within the Department, oversees the Commonwealth's interests on Norfolk Island. According to its 1998-1999 annual report it:
- maintained and developed Commonwealth interests in Norfolk Island, and worked in partnership with local government to contribute to national social, environmental and economic performance.
- 1.18 The Administrator, appointed by the Governor-General and responsible to the Minister for Regional Services, Territories and Local Government, is the senior Commonwealth Government representative on Norfolk Island. The Administrator acts with the advice of the Norfolk Island Executive Council in relation to matters which are within the executive authority of the Norfolk Island Government. In all other matters the Administrator acts on the instructions of the Minister. The Self-Governing Territories Section meets the costs of the Office of the Administrator.

## Governance on Norfolk Island

- 1.19 The *Norfolk Island Act 1979* provides the basis of the Island's legislative, administrative and judicial systems. Norfolk Island has a modified Westminster style parliamentary government consisting of a nine member Legislative Assembly which controls its own budget and raises revenue under its own system of laws. Members are elected for a three year term. The Executive Council is convened and presided over by the Administrator, whose role is similar to that of a state governor. The Executive Council consists of members of the Assembly who perform ministerial functions. Ministerial portfolios include finance, health, education, immigration and tourism.<sup>2</sup>
- 1.20 The Act states that the Legislative Assembly is empowered 'to make laws for the peace, order and good government of the Territory'. It cannot make laws to acquire property, raise defence forces or coin money.
- 1.21 The powers of the Norfolk Island Government incorporate the functions of both local and state governments in a manner similar to the Northern Territory or the Australian Capital Territory, but they also include a range of functions which are exclusively exercised by the Commonwealth in mainland Australia.
- 1.22 The Act divides the legislative functions and responsibilities of the Assembly into Schedules 2 and 3. Schedule 2 contains matters normally performed by state and local governments, including public health. Schedule 3 covers matters normally reserved for the Commonwealth, such as customs, quarantine, immigration and social security.
- 1.23 Laws passed by the Legislative Assembly are presented to the Administrator for assent. Depending on the subject matter, the Administrator may assent to, or withhold assent from, the proposed law, return it to the Assembly with recommended amendments or reserve it for the Governor-General's pleasure.<sup>3</sup>
- 1.24 The Administrator is required to act in accordance with the advice of Norfolk Island's Executive Council in relation to most scheduled matters, but the Commonwealth Minister for Territories retains the power to veto legislation on a Schedule 3 matter.

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2 Commonwealth Grants Commission, *Report on Norfolk Island 1997*, p. 19.

3 *Norfolk Island Act 1979*, Section 21.

## Responsibility for health care

- 1.25 The provision of health services on Norfolk Island is different from anywhere else in Australia or its territories. On the mainland, health is a state responsibility, with the states organising the delivery of health services. However, the Commonwealth makes specific purpose payments to the states to support those services. The Commonwealth also contributes to individuals' health costs through medical and pharmaceutical benefits. Similar arrangements exist between the Commonwealth and the two self-governing territories on the mainland.
- 1.26 Norfolk Island residents do not pay Commonwealth income tax or most other federal taxes including the Goods and Services Tax. Since 1989 most have not been eligible to receive Medicare benefits. However, the Commonwealth, through the Department of Veterans' Affairs, assists in providing comprehensive health services to eligible veterans on Norfolk Island, who account for sixty per cent of the population over age seventy, an age group which forms a significant proportion (ten per cent) of the total resident population of 1600.
- 1.27 Under the *Norfolk Island Act 1979* (Cth) the Norfolk Island Legislative Assembly has primary responsibility for the provision of health and ancillary services, including aged care, and the health infrastructure on Norfolk Island. Public health and social welfare are both matters which are specified in Schedule 2 of the Act. This gives the Norfolk Island Legislative Assembly the power to make laws concerning these matters. The Commonwealth Minister responsible for regional services has no power to veto Schedule 2 matters. The Department of Transport and Regional Services advised the Committee that the Norfolk Island Government has not sought Commonwealth assistance for health services since 1989.
- 1.28 There are indirect health advantages to mainland residents that are not provided directly through the Health budget. By comparison, most Norfolk Island residents experience a considerable disadvantage as a result of their isolation and the high cost and present state of their health system. DOTRS stated in its submission that:

as a matter of principle, Norfolk Island residents have a right of access to health services and health insurance at a level comparable to mainland standards.<sup>4</sup>

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4 Department of Transport and Regional Services, Submissions, p. 73.

- 1.29 DOTRS also noted as a major concern Norfolk Island residents' difficulties in accessing national health programs and funding:

The fact that Commonwealth legislation – such as the Commonwealth's aged care legislation – does not extend to Norfolk Island hinders Norfolk Island residents' access to programs and initiatives aimed at assisting communities in rural, remote and regional Australia – of which Norfolk Island forms a part.<sup>5</sup>

- 1.30 The Commonwealth Grants Commission noted in 1997 that the Commonwealth has a responsibility to ensure that certain services are provided to Australians at appropriate levels. DOTRS observed that if the Norfolk Island Government could not provide services at an appropriate standard, the Commonwealth should consider ways in which it could assist the Island community by extending health services and funding eligibility to the same level available to other Australians.<sup>6</sup>

## Related inquiries

- 1.31 The Committee acknowledges the work of a number of Commonwealth bodies which have previously conducted inquiries into various aspects of governance on Norfolk Island. These works were of great assistance in the conduct of the current inquiry.
- 1.32 The Commonwealth Grants Commission (CGC) released in June 1997 the report of its inquiry into Norfolk Island's economic capacity, financial and administrative arrangements and government services. The CGC examined a wide range of government services and infrastructure provided on the Island, including the Norfolk Island Government health insurance scheme and Norfolk Island's hospital services and infrastructure, public health services and community health services. The Committee found this to be a very thorough report which was useful in examining the provision of health services on Norfolk Island. Another very useful document was *A Study of Aged HealthCare Needs for Entitled Veterans, Norfolk Island*, a report commissioned in 1998 by the Returned and Services League of Australia's Norfolk Island sub-branch, funded by the Department of Veterans' Affairs and prepared by Richard Tate of the Health Consulting Group, Victoria.

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5 Department of Transport and Regional Services, Submissions, p. 77.

6 Department of Transport and Regional Services, Submissions, p. 90.

- 1.33 The Committee examined Norfolk Island's communication system in its report of March 1999: *Island to Islands: Communications with Australia's External Territories*. That inquiry assisted in the analysis of issues related to e-health. The Committee has also made reference to the October 1997 report of the House of Representatives Standing Committee on Family and Community Affairs on telehealth entitled *Health on Line*.