



FOR NORFOLK ISLAND REGIONAL COUNCIL

Norfolk Island
Economic
Development

Next Steps

February 2017 Norfolk Island Regional Council (NIRC) is to “review *SGS Norfolk Island Economic Development Strategy – July 2015’ and adopt strategy or modify and create an Economic Development Strategy*”.

Coulston Consulting (CC) was engaged by NIRC to conduct a 7 day on-island consultation between 17 – 24 January 2017 with local stakeholders. The purpose was to conduct a scan of the current status and potential economic development opportunities and report back to NRIC as to suggested next steps.

Stakeholder Scan

Suzie Coulston from CC met formally with 22 individual stakeholders including the NIRC Mayor and General Manager, representatives from the business community, young people (a group of 7 aged 17-21) and the Administrator. Suzie also conversed informally with additional members of the community on an ad-hoc basis as opportunities arose.

General discussion was had and two specific questions were asked:

1. The NIRC Community Strategic Plan states a vision “Norfolk Island (NI) - the best small island in the world”. What does that mean to you?
2. What do we need to do economically to achieve / return to / maintain this?

A number of key enablers were evident from the responses to these questions that directly impact Norfolk Island Economic Development opportunities.

1. Norfolk has a living culture and traditions that are strong and resilient. Norfolk’s unique way of life, the natural environment and built heritage underpins a broad range of economic and social opportunities that can be readily recognised and have immense potential to further promote and strengthen the island.
2. The community is willing and able to offer their local knowledge and expertise to identify barriers to economic development and propose innovative solutions to large-scale infrastructure projects and programs regarding: electricity supply, distribution and storage, telephone and web-based telecommunications, water quality and supply, land and water-based transport, waste management, health and education.
3. The business community thrives on collaboration and the economy relies on tourism. The whole community is part of the tourism Industry, is intricately inter-connected and has a clear strategic vision and drive to grow the industry.
4. Community members are seemingly highly skilled, well-travelled and articulate. The community has a strong work ethic. There is a dedicated commitment to volunteering and giving across the community.
5. The NIRC is a democratically elected representative body of the NI residents. Economic development can be greatly assisted due to the strong history of engagement between elected representatives and the community.
6. Federal Government services and funding is available, funding normally available to a Local Government body from the NSW Government may be available through the

Norfolk Island Applied Laws Ordinance and there are opportunities to explore interest from private sector investors to grow the NI economy.

7. There have been many projects & business concepts previously compiled by members of the community who still have interest in seeing if these ideas can be ignited.
8. There are opportunities to explore how to reduce escape spending (money that businesses use to purchase goods and services off-island) by providing the goods and services on-island.

A number of barriers were also identified.

1. There have been a considerable number of factors contributing to an extended period of economic hardship on NI which has resulted in a reduced spend on the islands infrastructure and a resultant backlog of infrastructure projects.
2. There is a level of confusion for many businesses and community members about the implementation timing of various changes associated with the current governance structures. These include the introduction of taxation, The Fair Work Act and Awards, GST, superannuation and compliance and the effects these changes will have on businesses and incomes. This is leading to a contraction in the number of people working multiple jobs and a resultant number of unfilled, unskilled labour positions in the tourism sector. There is also a shortage of qualified workers (even though many have the knowledge and skills base they do not have formal endorsement of their skills, knowledge and capabilities) and employers are stating they are unable to fill public service and private sector positions.
3. It is unclear to the community how they can have a voice in decision-making and what the roles and responsibilities of the NIRC, NSW Government and the Administrator are.
4. The anticipated Child Care Accreditation requirements and accreditation in the trades sector have resulted in service and business closures and increased costs to businesses.
5. Stakeholders are frustrated with the lack of progress that can demonstrate tangible benefits to the NI community.
6. Part of the community is grieving the loss of self-governance and this is demonstrated by people exhibiting frustration, confusion, anger, directing blame at each other.
7. The NI banking sector supports claims by the retail and some in the tourism sector that they are struggling. These industries are waiting to see if there will be a significant increase in tourism numbers or tourism spending in the near future (though they are hoping for it!).

Next Steps

To focus on carefully managed and appropriate Economic Development that supports building a stable NI workforce during a period of intense change, it is recommended that a five year Norfolk Island Economic Development Plan with a structured implementation strategy and evaluation framework be developed. This will enable the newly elected NIRC to build trust with the NI business community by gaining some quick “wins” during their first term and provide a phased transition to the next Plan during the second term of the NIRC.

Should the EOI process be commenced by end February 2017, **a five year NI Economic Development Plan (NIEDP) 2017-2022 could be adopted by NIRC by end July 2017** utilising the 2015 SGS report as the basis for the process. A review of progress and adaptation given the current circumstances facing the NI business and broader community is required. The plan would be developed following effective and on-going community & business engagement which would be undertaken via face-to-face, on-line surveys, workshops, information sessions and forums or methods identified by the community. The plan will identify partners and include an evaluation framework including timeframes and measures of success. NEIDP will be a current and relevant strategy that NIRC can adopt as their own, provide a focus and be used as an advocacy tool when discussing matters with investors, government agencies and other stakeholders. “Low hanging fruit” will be progressed as the plan is developed.

The 2017-2022 NIEDP will support opportunities that foster enablers and address barriers, be comprehensive and achievable. The plan will reference activity conducive with land use zonings. The Stakeholder Scan identified actions that would be included in the NIEDP:

- a review and progress report against the NIRC 2013-2023 Tourism Strategy
- community & business workshops around the themes of tourism, compliance, events, business planning, new business development to reduce escape spending & tendering for government contracts
- a number of coordinated business expos & networking opportunities utilising on-island and off-island expertise including case studies from Pacific Islands, mainland & other communities
- examine previous projects that have stalled and review to determine where there is an opportunity to re-ignite them
- conduct a review of NI legislation and identify those relevant to Economic Development. Review with recommendation to adapt them to the current circumstances and where relevant in line with NSW and Australian government Acts and regulations.
- conduct risk assessments in partnership with NI businesses and assist business design, financial operations, succession planning and operator up-skilling.

It is suggested that the NIEDP be reviewed annually and a new plan adopted by NIRC by mid-March 2022.

Stakeholder Voices

Suzie Coulston from CC met formally with the NIRC Mayor and General Manager, representatives from the business community, young people and the Administrator (itinerary Appendix 1). Meetings were held between 17-24 January 2017. General discussion was had and two specific questions were asked. Responses from interviewees were documented with permission of the interviewee.

1. The NIRC Community Strategic Plan states a vision “Norfolk Island - the best small island in the world”. What does that mean to you?
 - “freedom, relaxed lifestyle, feeling safe, never going hungry, leaving the car unlocked”
 - “a good internet connection and resourceful people that excel in lots of areas”
 - “being the best experience in the Pacific, the other islands don’t have a patch on us”
 - “paddock to plate – grow my own vegetables and slaughter my own beasts and the only thing on my table not from here is the cream”
 - “we have something really special and we can take to the world”
 - “it is the best island in the world”
 - “it is a very special island with no parking metres, no street lights”
 - “retain our uniqueness, utilise our environment and protect it by embracing what the world has to offer so our children’s children inherit what we had”
 - “maintain the culture and let us not hurry the growth but let us evolve with financial innovations”
 - “to live comfortably and safely on the island. It’s a home for family and friends. earn an income”
 - “retention of local services and no class structure on the island”
 - “it already was but we need political stability, economic viability and to have cultural recognition and progression”
 - “high quality government services, to do business efficiently and at a reasonable cost”
 - “no third world element, friendly, Australian currency, easy to get around”
 - “I like the concept but they haven’t done anything with it. Council should deliver on this vision”
 - “we have always called ourselves the best little island – everyone from around the world would want to come here and visit us and this would grow us as a community”
 - “maintain its attractiveness in the sense of it is a pristine and good environment at the same time provide for families to earn an income so their kids can stay on the island”
 - “having travelled extensively around the world, I can say there is no other place in the world that has the lifestyle we enjoy –we never go hungry, we never go without”
 - “it could be, but there needs to be a very different approach and we need to mend bridges”

- “if something gets broken, it gets fixed. if someone is hungry, they are fed. no-one is homeless”
- “it is the best island but sadly losing AirNZ will see 16% tourism lost and NZ people can’t go home without overnighing in Australia”
- “P&O cruise ships make contact and the Cascade Pier gets finished”

2. What do we need to do economically to achieve / return to / maintain this?

- “access to nationally accredited training programs and apprenticeships on the island”
- “ensure the Cascade Pier upgrade is substantial enough to enable the landing of Cruise Ship passengers and freight as the big ships at anchor will not be able to unload containers safely to lighters, tenders or barges in a swell”
- “new industries – a call centre and an economy built on education and training so people learn the NI mindset of practicality, making do, improvising and being a jack of all trades (airport / hospital / Westpac Bank)”
- “around developing the tourism economy - ecotourism is the best chance”
- “it is the human element that effects the beauty and charm of Norfolk Island. to achieve economic growth we need to maintain the NI mindset – come here and live within the NI world and learn from us about how we look after this place”
- “Council needs to provide leadership and direction on water, rock, food, transport, technology and waste management to enable the attraction of new private capital”
- “people need to be able to make a dollar. if I didn’t earn money off island I would only make a few grand a year – so a fly-out of NI / fly in to NI for islanders works for me and my son”
- “lets go ecofriendly (completely solar powered – including cars, reducing our waste) – then we can claim we are the best small island”
- “get a direct flight between NI and Melbourne”
- “adopt the NI Government legislation that went before the changes as the starting point for NIRC policy/procedure and update in accordance with NSW legislation”
- “utilise funds being used for medivacs and reimbursement of out of pocket expenses to upgrade the hospital facilities to enable GP’s to conduct minor surgery and birthing and visiting specialists can provide services to residents and visitors”
- “agricultural activities like medicinal marijuana are supported by the community as long as they are done properly from the start with the right protections in place”
- “bring on big and small cruise ship consistency. we have proven we can handle 1000 – 2000 people in one hit, they spend all over the place, they have a great time, they don’t impact on our island resources and infrastructure much and they go home to their ship again. but the landing rate is 20-25%”
- “develop a business using the forestry infrastructure in the National Park”
- “integrate local bushfoods (i.e. guava, lemons) into the local cuisine”
- “enable the business community to move from the “perceived” need for business structures and protections (i.e. company structure instead of having business names registered to individuals and insurances) to the “real” need”

- “ensure the replacement services for AirNZ flying Auckland – NI – Auckland also enable freight and charter flights”
- “accredit tourism operators to ensure a quality assurance”
- “enable the local economy to benefit from the ocean-based fishery”
- “increase the base population to a level that can be sustained by the island”
- “succession planning to keep things going”
- “NI needs the cable in – it’s essential to grow the digital economy. The NBN is working for some – for many it’s a complete failure”
- “events, events, events – but unless we can grow the number of seats coming into NI so participants and spectators can get here, we will just be able to look at events catering for 50-150 people”
- “Federal Government expenditure could be done carefully so NI gets the best long-term value for the investment – not some tick-a-box with no long-term value”
- “conduct surveys at the airport asking visitors how they heard about NI, what made them decide to come, what did they love most, what didn’t they like, what was missing that they expected they would experience here”
- “create ways for Council to earn an income so they can spend that money on local services, programs and infrastructure without us having to ask other levels of government for funding”
- “prepare the private sector on the island for tendering opportunities that may arise from Council, State Government or Australian Government contracting out – establish small businesses to tender for maintenance work on the heritage buildings by people who have the skills to sensitively look after the buildings and other infrastructure”
- “create access to grants / funding / resources that we should be able to access like other NSW Local / Regional Councils due to the Applied Laws situation”
- “access to tourism statistics and data about what is happening re imports/exports – we can’t get access to any of that data at the moment so we have no clue what the economy is doing”
- “expand the on-island dairy industry to have fresh milk, butter and cream (we love cream)”
- “use the excess energy currently being earthed to the ground to power a community / cooperative cool room”
- “what can be made or grown here that we buy from off-island at the moment”
- “what furniture, equipment, materials are in storage around the island that could be used?”
- “we don’t want a casino - can we look at internet gaming for visitors?”
- “Off-shore finance”
- “Council should hang on to ways they generate income and look at how to create more income - Liquor Bond, Telecom, Electricity, etc. Council should make sure it doesn’t lose control of these services”
- “build a NI Cultural Centre and run it as a social enterprise”
- “match up people looking for work with those that need workers”
- “support mentoring into roles with more responsibility and specialised skills”

- “Council to develop and implement a NI local employment strategy”
- “increased development is OK but not high-rises on the shoreline”
- “increase immigration but make sure it is safe for us – we don’t want to live in a fear-based / what-if headspace. it is against our culture”
- “medicare and welfare do not grow our economy – marketing the destination, increasing seats on planes, improving tourism product and diversity of visitor experiences, and a stable workforce that grows business confidence - grows the economy”
- “a data centre for a large player i.e. Google as we are remote and politically stable”
- “establish a university”
- “stop wasting money – they should have upgraded the school hospitality & woodworking buildings instead of putting in a ramp and painting the school and running out of money and then closing those buildings. We could have made the ramp”
- “add more adventure activities like mountain biking – look at permitting activities in the National Park”
- “what can come of the Marine Park Management Plan”
- “KAVHA to increase local employment for those with specialist built heritage management skills”
- “a new quarry for rock supply”
- “look at high-end options for big spend tourists using our natural, built and cultural heritage”
- “no-one has done a risk assessment for Post Code 2899 – so insurers classify it as high risk”
- “can we access NSW Government funding through the applied law regime? – say for tourism marketing through Destination NSW”
- “a desalination plant”
- “sort the rubbish, go completely solar and promote to the world how ecofriendly we are”
- “contract out Council services to the private sector – this will help the private sector to be viable. To do this we need to prepare the private sector for tendering – quality assurance, value for money, compliance, insurances”
- “cruise ships – but make sure the Council can make a dollar out of it. We hope that the Cascade Pier upgrade will enable more tourists to land but we are not sure that it will”
- “we need access to government grants – Commonwealth and State. Look at examples from other territories – Christmas Island has access to government funded freight & destination marketing”
- “reduce the costs of sea freight – back-load with exports”
- “we would like a say in how the 2017-2018 Commonwealth budget is spent”
- “community arts”
- “studying bird life, marine studies”
- “look at the Falkland Islands – and their EEC”
- “small islands forums”
- “mini games”

- “business cases for any business idea is needed. Is it viable for that sized population & what are the ongoing costs to the community – the cable idea, agricultural expansion?”
- “a 25 year plan is needed”
- “locals buy from the retail shops when they come home to visit”
- “fishing for import licencing, fish farming”
- “the hospital could be a training facility for rural and remote hospitals with reduced facilities”
- “build a harbour with a breakwall for yachts where ship repairs can be undertaken and we could have boat races and regattas”
- “18 hole golf course at KAVHA”
- “worm farm”
- “deer”
- “macadamia industry”
- “expand the airport infrastructure the terminal is too small”
- “Kingston needs a good dredging”
- “turn the airport operations into a training school because the staff do everything – students can experience all there is to do here if they are entering the airline industry. they can experience all levels”
- “Jacobs Rock could be a possible new port facility – at a cost somewhere between \$50M - \$100M”

“develop a 7 day experience with best hotel / best shopping / best customer experience & a walking track along the coastline”