CLIMATE
Norfolk Island is characterised by a pleasant maritime climate. Daily and annual temperature ranges are small, particularly compared with the continental climate of the Australian mainland. Humidity is generally high, although it can drop to quite low levels, particularly in winds from the southern quarter. The climate of the Island is principally affected by the belt of high-pressure systems which oscillate north and south over the Island annually. These anticyclones are separated by depressions of varying intensity, with cold fronts affecting the Island to the greatest extent during the winter.
The average morning temperatures range from 22° in February to 16° in the winter months of July and August. The daily range of temperatures averages about 6°c over the whole year.
Rainfall is greatest during the four months from May to August, with monthly averages of about 140mm to 150mm. Minimum monthly rainfall, averaging about 17mm to 90mm, occurs from November to January. The annual mean rainfall is 1328mm.
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11 February 2004

The Honourable Geoff Gardner, MLA
Chief Minister
Norfolk Island Legislative Assembly Offices
Old Military Barracks
Kingston
NORFOLK ISLAND

Dear Chief Minister,

I am pleased to submit the 2002/2003 Annual Report for the Administration of Norfolk Island.

During the period covered by this Annual Report the Administration was headed by Robyn Murdoch as Chief Executive Officer until 28 October 2002 and myself as Acting Chief Executive Officer for the balance of the year.

In January 2003 the organisational structure was reviewed in close detail and revised reporting arrangements were developed. This change was seen as an important step towards an organisational structure with two rather than three Directors and a clearly identified range of Manager positions with a view to clarifying accountabilities and improving communication. As the financial year drew to a close, a large number of Administration positions were held on a temporary basis, and preparations were well underway to address this matter with the proposed finalisation of a revised organisational structure and its implementation.

As indicated in the Annual Report, the Administration of Norfolk Island continues to manage a broad range of diverse activities that, with few exceptions, cover the services provided by all three tiers of government on the Australian mainland.

I would like to take this opportunity to thank the staff of the Administration for their dedication and work throughout the year.

I present the report for tabling in the Legislative Assembly, following which it will be made available to the public.

Yours sincerely,

Luke Johnson
Chief Executive Officer
# Tenth Norfolk Island Legislative Assembly

<table>
<thead>
<tr>
<th>DAVID E. BUFFETT</th>
<th>Speaker</th>
<th>CHLOE B. NICHOLAS</th>
<th>Deputy Speaker</th>
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<tbody>
<tr>
<td>Ivens F. Buffett</td>
<td>John T. Brown</td>
<td>Graeme Donaldson</td>
<td>Geoffrey R. Gardner</td>
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<tr>
<td>Stephanie V. Jack</td>
<td>George C. Smith</td>
<td>Ronald C. Nobbs</td>
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## Executive Members and Their Portfolios

<table>
<thead>
<tr>
<th>GEOFFREY ROBERT GARDNER</th>
<th>GRAEME DONALDSON</th>
<th>DAVID ERNEST BUFFETT</th>
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<tr>
<td>Chief Minister and Minister for Intergovernment Relations</td>
<td>Minister for Finance</td>
<td>Minister for Community Services and Tourism</td>
<td>Minister for Land and the Environment</td>
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<td>(includes Environmental</td>
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<tr>
<td>Self Government</td>
<td>Licensing, Economic Policy)</td>
<td>and Healthcare)</td>
<td>Health, Quarantine, Land</td>
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<td>Customs</td>
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<td>Management)</td>
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<td>(includes Firearms and Explosives,</td>
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<td>KAVHA</td>
<td>Lighterage, Airport)</td>
<td>Fire Protection and Control)</td>
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<td>Sport and Recreation</td>
<td>Commerce and Industry</td>
<td>Disaster Management</td>
<td>Fishing</td>
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<td>Broadcasting and TV</td>
<td>National Park and Botanic Gardens</td>
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17 July 2002
ADMINISTRATION OF NORFOLK ISLAND STRUCTURE As at 1 July 2002

NORFOLK ISLAND COMMUNITY

ADMINISTRATOR

LEGISLATIVE ASSEMBLY

Speaker

Clerk

EXECUTIVE COUNCIL/ GOVERNMENT

CHIEF EXECUTIVE OFFICER

♦ Intergovernment Business
♦ Human Resources
♦ Strategic Planning
♦ Internal Audit
♦ Legal Services
♦ Industrial Relations
♦ Disaster Management
♦ Policy & Projects
♦ Executive & Corporate Support

Related Statutory Bodies
♦ NI Hospital Enterprise
♦ NI Central School
♦ NI Government Tourist Bureau
♦ NI Gaming Authority

Statutory Boards
♦ Public Service Board
♦ Liquor Licensing Board
♦ Employment Conciliation Board
♦ Employment Tribunal
♦ Social Services Board
♦ Planning Board
♦ Immigration Committee
♦ Disaster & Emergency Management Committee

CORPORATE MANAGEMENT GROUP

CORPORATE SUPPORT & BUSINESS DEVELOPMENT

Strategic Information Systems & Finance
♦ Finance
♦ Information Technology
♦ Commerce & Industry
♦ Records

Telecommunications
♦ Telecom
♦ Broadcasting & Television
♦ Gaming

Retail Enterprises
♦ Liquor Bond
♦ Post Office
♦ Philatelic

Regulatory Services
♦ Customs
♦ Immigration
♦ Registry
♦ Planning
♦ Corporate Affairs & Business Development & Censorship

COMMUNITY SERVICES & TOURISM

Health, Social Support & Employment
♦ Healthcare/Workers Compensation
♦ Social Services
♦ Sports/Culture/Arts

Law & Education
♦ Police
♦ Legal Aid
♦ Administrative Review Tribunal
♦ Norfolk Island Central School
♦ Public Library

Tourism Support
♦ Airport
♦ Museums
♦ Tourist Accommodation

Emergency Services
♦ Fire Services

Regulatory Services
♦ Companies & Retail Price Index

Heritage
♦ Kingston & Arthurs Vale Historic Area

ENVIRONMENT & INFRASTRUCTURE

Infrastructure Services
♦ Public Works
♦ Lighterage
♦ Electricity

Land Use & Natural Resources
♦ Development Control
♦ Plans of Management
♦ Norfolk Island Plan
♦ Forestry/Parks/Reserves
♦ Fisheries & Marine
♦ Agriculture & Horticulture
♦ Building
♦ Environmental Issues
♦ Stock Health & Animal Registration

Public Health
♦ Health
♦ Quarantine
♦ Water Quality
♦ Waste Management
ADMINISTRATION OF NORFOLK ISLAND INTERIM REPORTING ARRANGEMENTS

Reporting arrangements within the Administration of Norfolk Island were changed on an interim basis in January 2003. This change reduced the number of Directors from three to two. At the end of the financial year the interim reporting arrangements were in place but awaiting formal adoption.
NORFOLK ISLAND HOSPITAL ENTERPRISE

The Norfolk Island Hospital Enterprise is established under the Norfolk Island Hospital Act 1985 and is a body corporate with perpetual succession. In July 2003, following three inquiries into health services on Norfolk Island the Norfolk Island Hospital Act 1985 was amended to incorporate recommendations by the reviews. These amendments included the abolition of the Board of Management, the establishment of an Advisory Board and recognition of the Director of Nursing as a member of the management team responsible for nursing services.

The Honourable David Buffett, AM, MLA, holds the portfolio of Minister for Community Services & Tourism which includes Health.

Board of Management

Over the 2002/2003 year the Board of Management has consisted of the following members:

- Mr Larry Quintal (Chairperson) (Resigned)
- Mrs Janine Brown (Resigned)
- Mrs Colleen Evans (Resigned)
- Mrs Sheila Grimshaw
- Ms Chloe Nicholas, MLA (Chairperson)
- Mrs Vicky Jack, MLA
- Mr John Christian
- Mr David McCowan
- Mr David Connell (Director) (Resigned)
- Mr David McCowan (Director)

The Enterprise wishes to thank all those members of the Board of Management both past and present for their service and dedication to the Enterprise.

Staff

The first half of 2002/2003 proved to be a very turbulent year for the Enterprise. Court cases and the departure of key staff proved very challenging to all involved at the hospital. The recruitment of appropriately skilled medical officers remains an ongoing challenge. The recruitment and retention of suitably qualified nursing staff is also proving difficult however the Enterprise has been able to maintain its staffing levels in these areas through the use of locum services. Dental services have also seen the departure of two dentists in this period. The Enterprise has been able to secure the services of a new dentist with no disruption to services, and in addition the hospital has a locum dentist which will allow assessment of the need for a second dentist.

Staff education is a permanent requirement for the staff of the Enterprise. The Asthma Foundation and the Cunningham Centre have provided education to staff and these educational sessions have proved to be a cost-effective method of providing ongoing professional development for all of the Enterprise staff and will be continuing into the future.

The development of policies and procedures throughout the hospital is an ongoing exercise for the Board and staff of the Enterprise. Significant achievements have been made in the implementation of recommendations made by the Independent Inquiry into Health Services on Norfolk Island undertaken in late 2002. Many staff have taken the recommendations on board and are assisting the Board and Director in the development and implementation of strategies to improve the quality of services provided to the community.

Aged Care

The Aged Care section of the hospital is moving forward and providing high quality services to the community. Activities for the elderly are increasing all the time and the volunteers and staff of the Aged Care area must be commended on their dedication to the elderly, both in hospital and in the community. The Aged Care Committee has instigated a system of emergency contact with the hospital for elderly members of the community. This is through the existing phone service and is able to provide peace of mind and urgent assistance to members of the community in cases of falls or other emergency requirements.

Telemedicine

The telemedicine equipment is in place and education has been provided to staff on its use. To be fully functional the Enterprise is waiting to be connected to the new Broadband Service currently being installed.

Donations

The Norfolk Island Hospital Enterprise is very fortunate in the support it receives from the community. Donations to the hospital assist greatly in our ability to provide high quality services to the community. In particular the Enterprise would like to thank community members for the ongoing donations of fruit, vegetables, eggs and other produce, the Hospital Auxiliary for its wonderfully generous work in support of the hospital with donations of items including chairs for the elderly, linen, IV stands, a mini autoclave for the Outpatients Department, an air conditioner for Maternity and heaters for the Aged Care Unit.

The Enterprise also wishes to especially thank all of the Service Clubs and other community organisations for donations and assistance to the Enterprise over the year. The donation of a BiPAP machine that assists those have severe breathing difficulties has already been invaluable, saving the Island at least one medivac this year.
Ah Styk Dental Clinic
Following the very generous donation by Mr Toni Redstone, the new dental clinic was completed and is now operational. It provides two chairs, which will provide a much more efficient dental service to the community. The provision of two chairs allows two dentists to work at the same time, and also allows the dental clinic to continue to operate whilst the orthodontist is on the Island and will hopefully allow the dental clinic to significantly reduce waiting times.

Hospital Services
The Norfolk Island Hospital Enterprise continues to provide a broad range of services to the community. This includes physiotherapy services - with the appointment of a full time physiotherapist who is providing services to the Aged Care area as well as the general community; Pharmacy services; Pathology services and Radiography.

The Visiting Specialist Program continues to provide a very valuable service to the community. In the future additional services such as Ear, Nose and Throat and Neurology will commence.

Some concern remains regarding the provision of medivac services to the community, and in association with the Legislative Assembly and the Norfolk Island Administration solutions to this problem are being investigated.

Major Expenditure
Renovations to the Pathology Department were undertaken to provide improved access and space for the installation of an air conditioner and a new Vitros 250 Biochemistry Analyser that gives the medical staff faster, more efficient blood results for diagnostic purposes. A new clothes drier was purchased to replace an old machine that could no longer be maintained in a cost-effective manner. New high-speed hand pieces were purchased for the dental clinic. These replaced older hand pieces that were slower and less effective for modern dental work.

An upright vertical buckey board was replaced on the main x-ray unit and a new mobile x-ray unit was purchased.

In the next financial year major capital purchases will consist of a new autoclave, a new anaesthetic machine, a replacement haemodialysis unit and a biohazard cabinet that protects staff from infectious or other hazardous substances.

Volunteer Organisations
The Norfolk Island Hospital Enterprise would like to thank St Johns Ambulance, Red Cross and White Oaks for the ongoing support and assistance to the hospital over the year. Without these volunteer groups, necessary services to the community could only be provided with great difficulty and cost.

Statistics

<table>
<thead>
<tr>
<th>Service</th>
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<tr>
<td>Outpatients</td>
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<tr>
<td>Outpatients (Visitors)</td>
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<tr>
<td>Theatre Minor</td>
<td>64</td>
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<tr>
<td>Theatre Major</td>
<td>103</td>
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<tr>
<td>Spinals</td>
<td>4</td>
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<tr>
<td>Sedation</td>
<td>46</td>
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<tr>
<td>Pathology:</td>
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<tr>
<td>Patients</td>
<td>4,356</td>
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<tr>
<td>Tests</td>
<td>8,856</td>
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<td>X-ray:</td>
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<tr>
<td>Patients</td>
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<tr>
<td>X-rays</td>
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<td>Offshore Referrals</td>
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<td>Births</td>
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<tr>
<td>Deaths</td>
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<tr>
<td>Daily Bed Average</td>
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<td>Immunisations</td>
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<tr>
<td>Visiting Specialists</td>
<td>810</td>
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<tr>
<td>Admissions</td>
<td>609</td>
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</tbody>
</table>

The Board of Management of the Norfolk Island Hospital Enterprise would like to take this opportunity to thank the Legislative Assembly, community, staff, community organisations, clubs and everyone else for their assistance and support over the past year.

NORFOLK ISLAND CENTRAL SCHOOL
The Norfolk Island Central School is a co-educational school with around 310 students from Kindergarten to Year 12. Whilst enrolments fluctuate, primary numbers are generally around 187 and secondary 118.

The school is staffed through the NSW Department of Education and Training merit selection process with selected staff on tenure for a three-year period. This process was confirmed in a Memorandum of Understanding between the Norfolk Island Government and the NSW Department of Education and Training in December 2002. Teaching staff consists of a Principal, 8 K-6 Teachers, 12 Secondary Teachers, 1 Counsellor/Support Teacher Learning Difficulties, 1 Information Technology/Vocational Education/Librarian and 2 part time Relief Teachers. Clerical support staff consists of 1 Senior School Assistant, 2 Clerks/Teachers Aides and 1 Librarian’s Assistant. In addition the school has a full time Maintenance/Groundsman.

Education is fully funded by the Norfolk Island Government. The Government purchases the education package from the NSW Department of Education and Training and pays all salaries, curriculum support costs and capital works. In the financial year 2002-2003, this amounted to approximately $2.115 million. This includes $181,400 in capital expenditure and $1.93 million in recurrent expenditure. The Parents and Citizens also contributed...
$12,000 to school programs for room upgrades, teaching resources and textbooks.

Norfolk Island has a unique multicultural heritage. A concerted effort is being made to sustain and promote awareness of its rich culture through the inclusion of Norfolk Studies in the secondary school, integration of Norfolk Studies K-6, inclusion of Norfolk perspectives 7-12 and teaching of the Norfolk language in K-6.

**Achievements during 2002/2003**

**Academic Achievements**

- NICS continued its outstanding performance in literacy skills as indicated through the Basic Skills Test (BST) Years 3 and 5, the Primary Writing Assessment (PWA) Years 3 and 5 and the English Language and Literacy Assessment (ELLA) Test Years 7 and 8. In the BST, the average improvement of students (Year 3 to Year 5) is 12.7, which exceeds the NSW State average by more than 6 points. Ninety four percent of the Year 7 students and 100% of the Year 8 students who sat the ELLA test performed at the high or proficient level in the three test sections.

- The Year 3 and 5 Basic Skills Numeracy test results were once again very pleasing with students overall performing at a level equal to or higher than the State results in the majority of test questions. All students showed improvement from Year 3 (2000) to Year 5 (2002) with thirteen students improving by up to 10 points. Year 7 and 8 students participated in the Secondary Numeracy Assessment Program (SNAP) in 2002. This is the second year of the program and results were once again excellent. Year 7 students exceeded the State average in all sections except Number. More than 80% of students scored in the top two bands for Numeracy, Measurement, Data and Problem Solving. Year 8 students also performed exceptionally well in all areas with almost 100% of students in the top two bands for all sections.

- History students took part in the NSW History Competition with 4 students included in the 30 finalists. Kate Ellis, Year 9 gained first place overall with her site study later published in the Sunday Telegraph.

- In the University of New South Wales Primary Mathematics Competition Aaron Kelly and Joel Kelly achieved distinction awards and 7 others were awarded credits, 5 achievement awards and 26 participation awards.

- Secondary students Karl Steven and Ben Geist achieved distinctions in the Australian Mathematics Competition sponsored by Westpac. Six students were awarded Credits and 11 others Participation Awards.

- Ceaira Cottle was selected as one of 137 talented Australian and New Zealand Year 11 science students to participate in the Genesis Program in Auckland.

- The Agricultural and Horticultural Show held in October continues to showcase student work in a large range of areas from visual arts to creative writing. All K-6 students entered in more than one category and there was a high standard of work and level of participation by secondary students, particularly in the arts, woodworking and cooking sections. A highlight of the Show was the award of “Outstanding Exhibit” to Jacob Sheridan of Year 10 for his pine coffee table and Trent Donald of Year 6 for his painting.

- Douglas Donaldson, Year 5, scored a perfect result in the Year 5 Basic Skills Test.

- Twenty students sat for the School Certificate in 2002, all scoring above the State mean in all subjects. A number of students scored Band 6 results compared to none in 2001.

- Twelve students sat for the Higher School Certificate in 2002. The results were excellent in Physics (+14.31 above State average), Mathematics (+5.68) and Chemistry (+3.68). The small size of the candidate makes comparisons between courses and across years unreliable but, compared to the equivalent aggregated performances in the School Certificate, there was consistent growth for students in the high and low bands.

- Vocational Education Curriculum Frameworks Courses were offered to Years 11 and 12. Courses were in Hospitality and Information Technology (IT), the latter being delivered on-line from the New England Institute of TAFE. There were 8 community members who also accessed this course being presented by the school’s IT teacher. Five Year 12 students gained a TAFE certificate II in information technology. One community member also took part in the Hospitality Course.

**Achievements in the Arts**

- The community visual arts event “Art in the Park” (Bounty weekend 8 June) included artworks from Year 9 and 10 elective visual arts students.

- The Year 9/10 drama group performed at the Norfolk Island Theatre Festival in September, competing against local community and overseas groups. Robbi Huxley, Year 9, won the Youth Award.

- The school musical Wolfstock held in Term 3 involved the majority of students
as performers or in preparation and presentation of the event.

- A Mothers Day Talent Quest provided students from K-12 with an opportunity to perform in the areas of singing, dancing, drama and instrumental performance.
- Maleah Butterfield (drama) and Tyler Evans (visual arts) were selected to participate in the North Coast Creative Arts Camp held at Lake Ainsworth in November.
- Students from stages 3, 4 and 5 performed creditably in the Rotary Public Speaking and Debating Competition. Thomas Huxley was awarded first place in the primary division and Ben Johnson in the secondary division. Highly recommended awards were presented to Robbie Huxley and Peter Wilson from Year 9.
- NICS PICS was once again held at Greenwich University to showcase stage 3 student work in visual arts. The exhibition ranging from paintings to woodwork was very well attended.
- Five students wrote and read their poetry at the inaugural “Poetry in the Park” event during the Easter weekend.

Achievements in Sport

Sport has a high profile in the school with students participating in squash, netball, tennis, oz tag, badminton, golf, lawn bowls, soccer, gymnastics, athletics, snorkelling, SCUBA diving, lifesaving, hockey, mountain biking and surfing. Highlights and features of the sport program included:
- Pre-carnival training sessions – TOJOs Swimmers and Athletes were well supported by students and impacted on the level of participation and performance.
- All students from Kindergarten to Year 10 participated in Jump Rope for Heart and raised $275. The SRC under the guidance of Mr Murphy coordinated this event.
- Twenty students competed as a school team in the Norfolk Island Half Marathon.
- Jedda Fletcher travelled to New Zealand to compete in the Oceanic U18 Athletics Meet and came 2nd in the high jump and 3rd in the triple jump.
- A demonstration and coaching visit from the Oceania Basketball Association for Youth Development greatly assisted boys and girls teams.

Parent Involvement and Participation

Parent/Teacher partnerships at Norfolk Island Central School are vibrant and strong with excellent two-way communication and collaboration in decision making and policy development. In 2002 a Parent Participation Committee was formed to further enhance this partnership. The highlights of this committee over the year, which involved 16 parents and teacher representation, included:
- The formulation of a School Parent Participation Policy.
- Increased involvement of parents in classrooms.
- Establishment of a parent/volunteer database.
- Regular newsletter information directed to parent/teacher partnerships.
- Improved communication with parents on educational issues through handouts, parent/teacher nights and the school newsletter.
- The selection of a committee member as a Parents and Citizens liaison person to facilitate the exchange of information between these two community groups.
- Parent participation committee members actively involved in Book Week – parents as guest readers in K-6 classes.
- Education Week – advertising the school’s Education Week program and displays of children’s work in the local community.
- Annual Norfolk Island Art Show and Agricultural and Horticultural Show – parents involved in gathering, displaying and dismantling children’s exhibits.
- Organising and providing a special morning tea for teachers on World Teachers Day.
- Parents talking at the Education Week Assembly about the value of parent involvement to the school and the community.
- Helping at all school carnivals and swim school sessions.
- Assisting at Kindergarten Orientation Sessions.
- Taking part in the yearly NICS Theme Day Kindergarten to Year 6.
- Increased attendance at weekly K-6 Assemblies.

As a result of this involvement over 50 parents were presented with Parent Helper Appreciation Award Certificates for class related activities at a special Education Week Assembly. Many more parents were involved K-12 in whole school activities. The school Parents & Citizens Association provided ongoing support for school programs and initiatives. The Easter Carnival was a significant fundraiser providing $14,600 for school programs, library acquisitions, room upgrades and textbooks.

Targets for 2003/2004

These include:

1. Teaching and Technology
   - Increase student and staff technology skills and their application across the curriculum.

   Strategies to achieve this target include:
   - Provision of further technology training opportunities for staff.
• Identification and sharing of best practice for the use of technology in teaching K-12.
• Update technology facilities, software and school website.
• Investigate options for computer generated outcomes based student reports.

2. Student Learning
• Increase the range of learning opportunities for students.

Strategies to achieve this target include:
• Develop and implement a whole school numeracy plan.
• Implement the teaching of the Norfolk Language in Stage 4.
• Review and extend support for special needs and talented students.

3. Leadership and Management
• Review whole school management practices and increase leadership development opportunities for staff.

Strategies to achieve this target include:
• Review school communication and management practices.
• Review and refine the school procedures manual.
• Creation of school Intranet and include developed policies and procedures to facilitate school management.

NORFOLK ISLAND GOVERNMENT TOURIST BUREAU
The Norfolk Island Government Tourist Bureau (Bureau) is regulated by the Norfolk Island Government Tourist Bureau Act 1980. The Bureau is a body corporate with perpetual succession and its prime functions are:
• To encourage travel to and travel within Norfolk Island.
• To seek and receive views, comments, suggestions and complaints concerning Norfolk Island tourism; and
• To offer advice to the Norfolk Island Government on any matters concerning Norfolk Island tourism.

In 2002/2003 Norfolk Island attracted 37,672 visitors to the Island. This equates to a 12½% increase on 2001/2002 at a time when global tourism is in general decline. In September 2002 a new air service provider, Alliance Airlines, commenced services to Norfolk Island from the gateways of Brisbane and Sydney. Combined with the extra services of Norfolk Jet ex Sydney, Brisbane and Melbourne, Norfolk Island is now well served from most of the Australian markets. Air New Zealand continues to provide two air services per week. This situation indicates that Norfolk Island Tourism goals set for achievement by 2005 are back on track.

A Symposium on Tourism was held in August 2002 where some 80 local and offshore tourism industry partners identified directions for Norfolk Island Tourism in the future. The outcomes of the Symposium have been analysed by the Bureau and where appropriate are being instigated as funding becomes available. The Symposium acted as a prelude to further industry and community consultation for the eventual formulation of a new 10-year marketing strategy to take Norfolk Island beyond 2005.

One of the most significant outcomes from the Symposium was a new branding for the Island. The branding logo has been developed and launched to the market.

The Bureau continued to maintain a high profile throughout the year in its target markets through a variety of promotional activities complemented by co-operative advertising with the major wholesale agents in both Australia and New Zealand.

NORFOLK ISLAND GAMING AUTHORITY
The Norfolk Island Gaming Authority is an independent statutory body that operates in accordance with the Gaming Supervision Act 1998. The principal function of the Authority is to assess applications and issue licences to Interactive Home Gaming and Bookmaking Operators. The Authority is empowered to implement and enforce a strict regulatory regime that provides high standards of gaming administration and control for the world market.

The Authority insists on the highest levels of integrity and security for all gaming operations that emanate from the Island by overseeing the proper operation of gaming systems and structures, supervising and inspecting all licensed gaming operations and detecting any offences committed under the prescribed Acts: Gaming Supervision Act 1998, Gaming Act 1998 and Bookmakers Act 1998.

Members of the Authority:
• The Hon John Clarke QC, Presiding Member
• Dr John Walsh of Brannagh, Member
• Mr Ronald Irvine, Member
• Mr Kevin Leyshon, Director of Gaming
• Ms Joanne Adams, Secretary to the Authority

In 2002/2003 During the year under review the Authority approved and issued two Bookmaking Licences to two companies incorporated on Norfolk Island. Investigations into the suitability of these applicants to hold a licence were undertaken by the Authority in conjunction with the Australian Federal Police, with the associated costs borne by the applicant. The Authority’s investigative procedure essentially concentrated on financial affairs, shareholdings, managerial competence, corporate details, bookmaking experience and...
the capacity to undertake bookmaking operations generally, whilst the AFP primarily concentrated on probity issues on the suitability of the applicants and their close associates.

Those licences have been formally tabled in the Norfolk Island Legislative Assembly in accordance with the provisions of the Bookmakers Act 1998. The term of their licences is for an eight-year period on and from the date of issue of the licence. A licence issued under the Bookmakers Act 1998 is subject to the Conditions of Licence that are determined by the Authority in respect of regulating the conduct, operation and supervision of gaming and sports betting. The conditions detail the scope of the licence, the administrative, financial and operations conditions to apply, the duty and the administrative levy to apply and the usual definitional and miscellaneous provisions concerning notices and dispute settlement procedures.

Presently one Licensee is fully operational whilst the other Licensee is undergoing compliance testing and an evaluation process on their bookmaking systems and procedures by an independent testing house in Australia prior to being given the final approval to become operational by the Authority. The Authority has not met formally throughout the year, although it has conducted business by way of electronic meetings, e-mails, telephone or facsimile. Over the past twelve months the Authority has attended to many gaming and bookmaking enquiries, mainly emanating from overseas jurisdictions.

The Authority’s target audience is the international market and it has concentrated its efforts on gaining a foothold in the booming market of Internet gaming. Detailed information by way of “Applicants Package of Documents” has been distributed to interested parties via e-mail and the Internet and where possible by direct presentation to those parties specialising in gaming related fields. The Authority endeavours to keep Licensees fully informed on any new developments within the gaming arena, especially in regards to telecommunications and issues pertaining to Norfolk Island. Pertinent information relating to the Norfolk Island Gaming Authority is incorporated on the Authority’s web site as well as Internet gambling publications around the world that publicise Internet gaming jurisdictions.

Fees associated with an Interactive Home Gaming Licence or a Bookmakers Licence:

- Application Fees - $3,750 per licence.
- Investigation Costs – An advance deposit of $25,000 (within Australia) and $50,000 (overseas).
- Pre-operational Administrative Levy – minimum levy of $25,000 per licence to be paid in advance. This levy charge covers a 12-month period.
- Post-operational Administrative Levy – minimum levy of $25,000 per licence, where all aspects of the licensed operations are based on Norfolk Island; or $50,000 per licence for a dual licence holder utilising a split system (locating part of the operations outside of Norfolk Island); or $75,000 per licence for a single licence holder utilising a split system.
- Duty Rates – 4% of gross gaming revenue (win) for Interactive Home Gaming and up to 0.5% of turnover for Bookmaking.

For further information please contact:

The Secretary
Norfolk Island Gaming Authority
P.O. Box 882
Norfolk Island 2899
Telephone: +11-6723-22002
Facsimile: +11-6723-22499
Email: secgameauth@norfolk.net.nf
Website: www.gamingauthority.nlk.nf
STATUTORY BOARDS

PUBLIC SERVICE BOARD
Current Board members are:
- John Christian (Presiding Member)
- Brent Hattersley (Deputy Presiding Member)
- Gigi Huxley (Member)
- Shane McCoy (Employee Member)
- Cheryl LeCren (Deputy Employee Member)

Under the Public Sector Management Act 2000 the Board has three major responsibilities. These are:
- Section 18 – Evaluating observance of the Public Service principles and employment standards by management and employees and providing related advice to the Legislative Assembly or the executive member.
- Part 5 – Obliges the Board to conduct reviews of employment selection decisions if appealed and any appeals against unfair dismissal or termination.
- Section 65 – Involves the Board in investigation of complaints from persons affected by action which does not comply with the Act.

Provisions under Section 18 of the Act
The Board has not dealt with any matters under this section of the Act.

Provisions under Part 5 of the Act
Under Part 5 of the Act seven appeals against selection were lodged. Two were withdrawn and the Board disallowed five.

Provisions under Section 60 of the Act
One matter is currently before the Board under this section of the Act.

Provisions under Section 65 of the Act
The Board has not dealt with any matters under this section of the Act.

General
In 2001 the Board requested that the Legislative Assembly make necessary changes to legislation regarding the length of time for the appeals process. The Board also suggested other changes to legislation that would make the appeals process more efficient. To date these issues remain outstanding.

The Board is still concerned that under the present merit based employment process no weight is given to residential status.

The Board hopes that when the currently unfilled positions within the Corporate Management Group are filled that the Administration take note of the recommendation in the 2001-2002 Annual Report of the Public Service Board “that a resident with appropriate business skills be appointed to at least one position within the Corporate Management Group”.

To the end of June 2003 the Board had not been requested by either the Legislative Assembly or the executive member to provide any specific advice on other matters.

LIQUOR LICENSING BOARD
The Liquor Act 1960 provides for the sale, consumption and manufacture of liquor. The Licensing Board established under the Act deals with the grant, renewal, transfer removal and variation of a licence, suspension and conditional certificates. The executive member may issue manufacturers’ licences, special permits for the sale and consumption of liquor and entertainment permits. The annual sittings of the Board is held on the first Tuesday in June each year. Members of the Board are:
- Mr Ross Reynolds (Chairman)
- Mrs Tosca Quintal
- Mr Tony Dodd

At the annual sittings the Board renewed 3 Residential Hotel Licences, 1 Guest House Licence, renewed 8 Club Licences and 18 Restaurant Licences. The Board granted 1 Restaurant Licence.

SOCIAL SERVICES BOARD
The Social Services Board comprises of 3 independent community members and one representative from the Legislative Assembly. The 3 independent officers hold a statutory appointment for a period of 3 years.

In the year 2002-2003 the Board met on 11 occasions and granted 19 new benefits, ceased 4 benefits and granted 0 new Hospital and Medical Assistance Benefits.
PLANNING BOARD
The Planning Board’s membership consists of 1 member of the Legislative Assembly, 3 members from the community and 1 member being the Chief Executive Officer’s delegate from within the Public Service. All Planning Board members, who are appointed by the Minister, attend their duties in their own time and provide an important and essential service to the Norfolk Island community.
Members of the Planning Board are:
- Mr Ralph Weslake (Chairperson)
- Mrs Vicky Jack, MLA
- Mr Aaron Graham
- Mr Norris Buffett

IMMIGRATION BOARD
The Immigration Committee is administered as part of the Immigration Act 1980. The Act provides for a committee of not less than three or no more than five members, at least one and not more than two of whom shall be members of the Legislative Assembly.
The functions of the committee are to furnish reports to the executive member as provided by section 19 and 32 of the Act and any other matter which the executive member refers to it.
Members of the Immigration Committee are:
- Mrs Joan Kenny (Chairperson)
- Ms Chloe Nicholas, MLA
- Mr Lisle Snell
- Mrs Barbara Elvey
- Mr Mitchell Evans (Secretary)

EMPLOYMENT CONCILIATION BOARD
Under the Employment Act 1988 the Employment Conciliation Board assists in the resolution of disputes between employees and employers referred to them by the Norfolk Island Administration’s Employment Liaison Officer. Whilst the Board can negotiate to resolve the differences expressed by the two parties, their powers are limited.
Members of the Conciliation Board are:
- Mr Michael King
- Mr Michael Zande
- Mr Rick Kleiner
If a dispute cannot be resolved, those aggrieved may appeal to the Employment Tribunal. The Employment Tribunal is constituted of three Magistrates.
HUMAN RESOURCES
The Human Resources Department has the responsibility for three broad functions. Firstly, the development and implementation of human resources policy and procedures; secondly, recruitment planning and processing; and thirdly, recording and processing all staff entitlements. Major activities in these areas are strategic advice to the Corporate Management Group on industrial and employment matters; providing a secretariat to the Staff Consultative Committee and the Occupational Health & Safety Committee; policy and program development; drafting legal instructions; advice to employees and managers on entitlements; and involvement in formal and informal conflict and performance management.

The section administers the Public Sector Management Act 2000 and Regulations and the Human Resources Policies and Procedures Manual, which is a Determination under the Act.

Achievements during 2002/2003

The Executive Officer – Organisational Development completed her employment contract at the end of January 2003 and a Human Resources Manager was appointed. The Human Resources Assistant’s position was occupied on a job-share basis with partial entitlements, the first of its kind for the Administration.

The Staff Consultative Committee regularly met and made numerous recommendations to the Chief Executive Officer and the Corporate Management Group on proposed changes and additions to the Human resources Policies and Procedures, many of which have been forwarded to the Minister for consideration by the Legislative Assembly. The OH&S Committee was formalised and includes representatives from a cross-section of different work areas.

In January 2003 an interim reporting arrangement was put into place which provided for two Directors as opposed to the three Directors positions under the formal Organisational Structure.

The majority of employees received training in Manual Handling Techniques. In late June 2003 Plant and Machinery Training Courses were conducted. Forty-one employees took part in the courses resulting in the successful completion of 70 separate accreditations/licences.

During the year work continued on the job evaluation system project using a method developed by Peter Bell. Initial results have produced staff comments and discussion at staff representative levels.

There were 21 resignations and 30 formal recruitments.

<table>
<thead>
<tr>
<th>As at 30 June 2003 the Public Service was comprised of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full-time employees 125</td>
</tr>
<tr>
<td>• Contract employees 11</td>
</tr>
<tr>
<td>• Part-time employees 15</td>
</tr>
<tr>
<td>• Vacant positions 43</td>
</tr>
<tr>
<td>Total 194</td>
</tr>
</tbody>
</table>

Major Challenges/Opportunities Facing the Section

- Greater use of technology in HR, particularly in entitlements processing and management reporting.
- Finalisation of classification, salary and performance management systems that ensure that all employees are appropriately remunerated and effectively managed.
- Development of a training strategy that provides opportunity to all staff.
- Greater communication and education with staff of their entitlements and obligations.

LEGAL SERVICES UNIT

The Unit provides legal services to the Government of Norfolk Island, the Administration and various statutory instrumentalities such as the Norfolk Island Hospital Enterprise and the Norfolk Island Gaming Authority.

These services include:

- Advice to and representation of government.
- In-house advice to officers/departments.
- Commercial law advice and documentation.
- Criminal prosecution.
- Debt recovery.
- Legislative drafting and publication.
- Legal education to the public sector.
- Legal policy and law reform development.

The Legal Services Unit is comprised of a small but committed team.

In 2002/2003

The Legal Services Unit:

- Acted in the Supreme Court in civil and criminal proceedings and also before the Administrative Review Tribunal in relation to various planning applications.
- Acted for the Administration in a range of civil matters outside of the Court system.
- Assisted Norfolk Island Police in the prosecution of 65 criminal charges in the Court of Petty Sessions.
- Further developed a precedents library for commercial documentation.
- Liaised with Police to develop prosecution policies and procedures.
• Attended various meetings with Commonwealth and State officials and the Standing Committee of Attorney Generals.
• Provided briefing material for conferences, inter-government meetings and in relation to law reform for executive members.
• Provided advice to the Norfolk Island Gaming Authority.

Debt Recovery
The long-term prognosis for the Administration’s debt recovery program is not as optimistic as it was anticipated at the time of the 2001/2002 annual report. In the area of Healthcare debts in particular, the number of bad debtors for a six-month levy period has increased considerably. We are currently reviewing options to address this trend. In the interim, this has had an impact of some significance on the staffing resources of the Legal Services Unit and the Registry Office. The number of bad debts proceeding to the stage of filing of a default summons has increased to 245 for the 2002/2003 financial year. A part time Process Server is still employed as the increase in the number of default summonses to be served would impinge on other police duties. Letters of demand prior to filing of default summonses continues to have a positive effect with a good response in payments received from local and overseas debtors. Other legal recovery actions continue including oral examinations before the Clerk of the Court of Petty Sessions, verbal and written agreements with debtors and the continued liaison with a major overseas debt recovery agent acting on behalf of the Norfolk Island Administration.

Legislative Program
During 2002/2003 the program for the drafting of Bills continued. An increased number of Bills progressed to the Executive Council for the enactment of laws and regulations mainly due to the commencement of the Land Initiative package of legislation. The consolidation of enactments continued but at a reduced pace and printing of the 2002 and 2003 legislation is a little behind schedule. There has been a good reaction to the amount of legislation that has been completed and down loaded to the Internet. Regular inquiries are received both locally and from overseas for electronic versions of Norfolk Island legislation.

Acts
Acts of the Legislative Assembly assented to between 1 July 2002 and 30 June 2003:
4 of 2002  Customs (Cigarettes and Tobacco Act 2002
5 of 2002  Building Act 2002 (s 1 & 2 commenced 6 December 2002)
6 of 2002  Trees Amendment Act 2002 (s 1 & 2 commenced 6 December 2002)
7 of 2002  Supplementary Appropriation Act 2002
1 of 2003  Supplementary Appropriation Act 2003
2 of 2003  Public Sector Management Amendment Act 2003
4 of 2003  Norfolk Island Planning and Environment Board Act 2002
5 of 2003  Subdivision Act 2002 (s 1 & 2 commenced 9 May 2003)
6 of 2003  Heritage Act 2002
7 of 2003  Roads Act 2002 (s 1 & 2 commenced 9 May 2003)
8 of 2003  Land Titles Amendment Act 2002 (s 1 & 2 commenced 9 May 2003)
9 of 2003  Subdivision (Moratorium) Act 2003 (deemed to have commenced 17 January 2003)
10 of 2003  Appropriation Act 2003-2004

Regulations
Regulations made between 1 July 2002 and 30 June 2003:
5 of 2002  Public Sector Management Amendment (No.2) Regulations 2001
6 of 2002  Postal Services (Local Rates) Regulations 2001
7 of 2002  Tourist Accommodation (Ex Gratia Payments) Amendment Regulations 2001
8 of 2002  Road Traffic (Powers of Registrar) Amendment Regulations 2001
9 of 2002  Postal Services (Rates) Amendment (No.2) Regulations 2001
1 of 2003  Public Sector Management Amendment (Elections and Prescribed Organisations) Regulations 2002
2 of 2003  Crimes (Forensic Procedures) Regulations 2002
3 of 2003  Norfolk Island Broadcasting Authority (Licence Application) Regulations 2002
4 of 2003  Tourist Accommodation Amendment (Miscellaneous) Regulations 2002
Curator of Estates of Deceased Persons
The office of the Curator of Estates of Deceased Persons in Norfolk Island is established by section 8 of the Probate Administration Act 1929-1974. This Act is an Act of the Australian Capital Territory as is applied to Norfolk Island by the Probate Administration Act 1976. This latter Act is an Act of the Norfolk Island Legislative Assembly.

Services provided by the Office of the Curator
The Curator’s Office provides a service of Will drafting. The Wills service is free of charge where the Curator is named as the executor and trustee of an estate. In all other circumstances there is a fee of $50.00 charged. When the Curator acts for an estate, fees are charged in accordance with the Act. Those fees are as follows:

- 5% of the value of all cash, securities and personal property, etc
- 1% of the value of all real property

The fees simply reflect the time, expertise and effort by the Curator in administering estates. This money is sometimes more commonly referred to as the Curator’s commission and is paid to the Administration’s Consolidated Revenue Fund as it becomes available. The Curator, as well as acting in the position as executor and trustee, also applied for letters of Administration where a person has died without a Will (intestate) and no application for such letters is made within 3 months of that person’s death or there are no identifiable next of kin.

As at 30 June 2003 the Curator’s commission account paid $36,662.00 to the Administration’s Consolidated Revenue Fund.

INTERNAL AUDIT
Internal Audit assists all levels of management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and pertinent comments concerning the activities reviewed. Internal Audit also ascertains the extent of compliance with legislation, policies, instructions, plans and procedures. All major sections of the Administration are audited. Assistance was given to management with developing a financial strategy for the Government.

NORFOLK ISLAND POLICE
The purpose of the Norfolk Island Police is to provide an effective and efficient police service that works with the community, the Administration of Norfolk Island and the Australian Government to preserve the peace, reduce the incidence of crime and to protect life and property on Norfolk Island. This is governed by a Policing Arrangement entered into between the Australian Federal Police and the Administration of Norfolk Island. Policing is jointly funded by the Administration of Norfolk Island (70%) and the Australian Federal Police (30%). The Norfolk Island Police is made up of three full time members, all on secondment from the Australian Federal Police. During this financial year one member completed his tenure and was replaced. The Norfolk Island Team are highly experienced police officers and have served all over Australia in both small and large communities. There are also four special members employed by the Norfolk Island Administration to assist with policing on the Island.

Assistance from the AFP continued during this financial year into the murder of Janelle Patton. The Commissioner of the Australian Federal Police has continued to provide additional funding (outside the scope of the agreement) for this operation. A large-scale fingerprinting program continued and was extended to Australia and New Zealand. Detectives from the Federal Police travelled to Norfolk Island, New Zealand and to many parts of Australia to interview potential witnesses and follow up on leads. A $50,000 reward was also announced for information leading to the conviction of persons responsible for this crime.

During this financial year police also commenced investigations into the destruction by fire of a partially completed home on Driver Christian Road valued at over $500,000. Investigations into this matter are ongoing. Crime figures remain constant with previous years with a slight drop in the burglary rate. Five persons were put before the Court for burglary offences during the year and they received varying sentences. Police noticed an increase in the amount of minor thefts. Most of these can be categorised as crimes of opportunity such as taking items from unlocked unattended vehicles. Throughout the year police have provided public information on ways to make premises and property more secure.

Throughout the financial year, police attempted to raise the awareness of and compliance with the traffic laws. Highly visible patrols both static and mobile were conducted with many persons cautioned and a higher than average number of traffic infringement notices issued. This was coupled with young driver education by giving lectures to school students about their responsibilities on the road.

In response to community concerns about a lack of information on policing activities, two new initiatives were commenced. A weekly radio show known as “Island Beat” is broadcast on the local Norfolk Radio Station and listeners are invited to submit questions to be answered. The police also have a regular column in the “Norfolk Islander” newspaper.
each week. Public response to both of these initiatives has been favourable.
A Crimestoppers service was introduced on Norfolk Island during this financial year. This is an avenue for anonymous information to be provided to assist police with any investigations. The calls are answered in Canberra so there is no way that the callers voice can be identified by the listener. Calls are not monitored or recorded and there is no tracking done. Callers can be assured of complete confidentiality when they use this service.

KINGSTON AND ARTHUR'S VALE HISTORIC AREA
The following represents a synopsis of the main activities during 2002/2003:

- The KAVHA Management Board has focused on the opening of the historic house No. 9 Quality Row to the public as part of KAVHA interpretation.
- The cleaning and blacking in of letters on some of the historic headstones at the cemetery.
- Native forest regeneration and woody weed removal.
- Stage 3 of the restoration of the interior of Government House.
- Maintenance to the convict built structures continued including the removal of asbestos roof material.

Under the Memorandum of Understanding formula the Commonwealth contributed $590,532 and the Norfolk Island Government contributed $281,500.
The Restoration Team consists of 11 Artisans, supported by 5 ground staff.
A Monumental Mason, Mr Graham Jackson, was commissioned by the Board and did work to the historic headstones.

Major Challenges
- Working more co-operatively with the Museums.
- To implement the KAVHA Business Plan.
- To focus on KAVHA interpretation with interpretive signs and possibly a professionally produced videotape of the historic area.
- Complete the restoration of the interior of Government House.
FINANCE

The Finance Branch is managed by the Finance Manager who is responsible for the accounting functions of the Administration. Ministerial responsibility for the Branch rests with the Honourable Mr Graeme Donaldson, Executive Member for Finance.

The Finance Branch’s Accounts Section has a staff complement of seven – five women and two men. The cost of administering the Accounts Section is approximately $240K per annum, which is recouped from the management fees charged to the Government Business Enterprises. Management fees charged in 2002/03 totalled $373K.

The Public Account of Norfolk Island, consisting of all public monies available for the purpose of the Norfolk Island Government, is established under the Norfolk Island Act 1979. The Public Moneys Act 1979 provides for the administration, collection and payment of public monies by the Government of Norfolk Island.

WHERE THE ADMINISTRATION’S MONEY COMES FROM YEAR ENDING 30 JUNE 2003

<table>
<thead>
<tr>
<th>Source</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Taxes and Levies</td>
<td>8,645,900</td>
<td>37.2</td>
</tr>
<tr>
<td>B. Charges for Services Provided</td>
<td>10,015,700</td>
<td>43.1</td>
</tr>
<tr>
<td>C. Interest Received</td>
<td>377,600</td>
<td>1.6</td>
</tr>
<tr>
<td>D. Liquor Bond (Gross Profit)</td>
<td>1,675,400</td>
<td>7.2</td>
</tr>
<tr>
<td>E. Postal Services - Gross Income</td>
<td>810,000</td>
<td>3.5</td>
</tr>
<tr>
<td>F. Grants, Subsidies &amp; Contributions</td>
<td>1,514,600</td>
<td>6.5</td>
</tr>
<tr>
<td>G. Other Income</td>
<td>212,600</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,251,800</td>
<td>100.0</td>
</tr>
</tbody>
</table>

WHERE THE ADMINISTRATION’S MONEY IS SPENT YEAR ENDING 30 JUNE 2003

<table>
<thead>
<tr>
<th>Source</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Employee Costs</td>
<td>8,119,300</td>
<td>37.2</td>
</tr>
<tr>
<td>B. Maintenance &amp; Repairs</td>
<td>1,241,300</td>
<td>6.0</td>
</tr>
<tr>
<td>C. Grants, Subsidies &amp; Contributions</td>
<td>1,813,700</td>
<td>8.0</td>
</tr>
<tr>
<td>D. Welfare</td>
<td>1,562,200</td>
<td>7.1</td>
</tr>
<tr>
<td>E. Other Operational Costs</td>
<td>6,704,500</td>
<td>30.7</td>
</tr>
<tr>
<td>F. Infrastructure Projects</td>
<td>1,408,400</td>
<td>6.4</td>
</tr>
<tr>
<td>G. Purchase of Assets</td>
<td>1,004,900</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,854,300</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The principal sources of revenue for the Revenue Fund is Customs Duty, Financial Institutions Levy, Departure Fees, Norfolk Telecom (dividend) and the net profit from the Liquor Supply Service. These five income sources alone contributed 69% to the total revenue received of $11.485M. The Revenue Fund’s operational expenditures for the year totalled $11.687M thus resulting in an income deficit of $202K. Capital Works and Purchases funded by the Revenue Fund in 2002/03 totalled $566K. On a consolidated basis (ie all Entities comprised in the Public Account) after the application of depreciation of $2.091M the Administration’s income exceeded expenditure by $1.720M.

The Administration’s consolidated Net Assets at 30 June 2003 amounted to $34.013M. Cash at Bank was $10,183M. Of this amount $648K was held in trust. The reserve balance of the Revenue Fund (excluding net fixed assets of $9.760M) was $2.448M.
INFORMATION TECHNOLOGY
The Information Technology Section provides support to computer systems across government functions including the Revenue Fund, Government Business Enterprises and external government agencies. The IT Section is funded directly from the Revenue Fund with no direct charging to any area for assistance provided during normal working hours. However, when projects require additional resources, out of hours callouts or the like, these are charged directly to the agency or area involved.
No staff changes have occurred this year and stability has seen the development of capabilities with staff members starting to be allocated prime and secondary responsibilities for many of the systems implemented throughout the Administration. The Project Officer role continues and remains involved primarily in IT functions for Telecom and the ISP.
The elevation of the IT Section Manager into an Acting Director role as well as the NTN program implementation at Telecom, has impacted long term projects such as the database replacement strategy. As such, locally developed programs running on CTOS equipment continue to provide some accounting, statistical and statutory functions of the Administration within Immigration, Customs, Accounts Receivable, Payroll and Motor Vehicle Registers. Previous investigations into core systems to control Name and Address Register, Accounts Receivable, Income Receipting and Miscellaneous Registers have identified a product. Final negotiations and budget requirements are still to be progressed with implementation now planned for the 2003/2004 financial year.
The IT Section continues to support the ISP at Telecom, which remains the core for Internet access for the Island. Further server upgrades and new servers have been implemented focusing on customer security and service. Anti-Virus and Anti-Spam servers for e-mail have been the main services with Norfolk Telecom customers suffering next to no casualties during the major virus outbreaks on the Internet this year. Average monthly statistics of 27,400 logins, 5,100 hours of usage, 13 gb onto the Island and 7 gb off the Island, show slowed growth for the ISP. Designs and tenders for wireless and leased line Internet services have been completed and implementation early in the 2003/2004 financial year should see an increase in service usage.

RECORDS MANAGEMENT
The Administration’s correspondence filing system is located on the top floor of the New Military Barracks, Kingston. Three full time officers are employed in this area, with the main duties being to maintain, identify and locate information to meet the operational business needs. This Administration resource consists of some 20,000 active files plus Archives. The section continues to review and update systems as funds become available.

NORFOLK ISLAND CUSTOMS
The Norfolk Island Customs Section provides services in the following areas:
- Assessment and collection of customs duty payable on goods imported into the Island.
- Border protection in conjunction with other responsible agencies.
- Arrival and clearance formalities for passengers, aircraft and ocean vessels.
As well as carrying out the requirements of the Customs Act 1913, Customs Officers are also conferred statutory powers under the following Acts:
- Airport Act 1991
- Dangerous Drugs Act 1927
- Departure Fee Act 1980
- Endangered Species Act 1980
- Fish (Export Control) Act 1984
- Immigration Act 1980
- Plant and Fruit Diseases Act 1959
- Trade Marks Act 1955 (C’wlth)
The Customs Section staff numbers consist of the following:
- Collector of Customs
- Six Customs Examining Officers
- One part-time Customs Examining Officer

Achievements during 2002/2003
Services and achievements of the Customs Section for the year are as follows:
- Provision of arrival and clearance formalities for 42,382 air passengers; 37 persons arriving by ship (includes 1 medivac crewmember), 705 aircraft arrivals and 70 small craft (2 cruise ships visited the Island, however passengers were unable to disembark due to bad sea conditions).
- Processing of 86,000 kilos of first class letters and parcel post items; 314 tonnes of air cargo; 10,914 tonnes/17,828 cubic metres of sea cargo; 5,479 tonnes of petroleum products and 420 tonnes of LP gas.
- Collected $3,658,326.00 in customs duty.
- In May 2003 arrangements were made for the second visit of an Australian Customs Service (A.C.S.) detector dog and Ionscan machine unit to the Island. During the one week visit the detector dog and Ionscan machine were used to screen arriving passengers and luggage, air cargo, parcel post items and also the cargo ship Norfolk Guardian.
• Progress arrangements to review and modernise Customs legislation as well as current work practices and procedures.

Staff Training
Training of Customs staff was undertaken in the following areas:

• Attachment with Australian Customs Service
  In November 2002 one officer spent a short period of attachment with the Australian Customs Service in Brisbane

• World Customs Organisation (W.C.O.) Valuation Course
  Mr Sid Fox (former A.C.S. Officer) conducted two, one-week sessions of the W.C.O. Valuation Course at the end of June 2003. Mr Fox has conducted similar courses for other Customs organisations in the Pacific area. All Customs Examining Officers successfully completed the course.

• On the Job Training
  A new part-time Customs Examining Officer completed 3 months on the job training from April to June 2003.

Major Challenges
• To complete the review and modernisation of Customs legislation, work practices and procedures which will enhance the efficiency and effectiveness of the Customs Section. In March 2003, Consultant Mr Phil Sargeant (a former Senior Executive Officer in the Australian Customs Service with over 30 years service) was engaged to assist with the review process. Mr Sargeant has made significant recommendations for inclusion in the revised legislation and in Customs practices and procedures.

• To obtain resources and maximise the use of technology to enable Customs to be proficient in coping with the ever-changing demands it faces in an ever-changing world.

Interaction and Cooperation
• The Customs Section continued to participate on various local committees:
  • Airport Emergency Committee
  • Airport Security Committee
  • Norfolk Island Fisheries Consultative Committee
  • DAA Working Group
  • Participated in the annual Oceanic Customs Organisation meeting which was held in the Cook Islands in April 2003.
  • Continued to develop and enjoy close working relations with Customs Services in other jurisdictions.

MAJOR IMPORT CATEGORIES

- Building Materials & Supplies 13%
- Food & Household Supplies 21%
- Tobacco & Alcoholic Beverages 6%
- Miscellaneous 12%
- Fuel 8%
- Rural & Farming 4%
- Motor Vehicles 6%
- Clothing & Footwear 9%

MAJOR EXPORT CATEGORIES

- Personal Effects 52%
- Tobacco Products (Under Bond) 13%
- Electrical Appliances 2%
- Palm Seeds & Sprouts 30%
- Motor Vehicles 3%
IMMIGRATION

The Immigration Office’s principal function is the administration of the Immigration Act 1980 with objectives to protect the rights and expectations of the Island residents, their way of life and the environment. Legislation administered by this office includes:

- The Immigration Act 1980
- The Departure Fee Act 1980
- The Referendum Act 1964

The Immigration Office also maintains the Norfolk Island Electoral Roll.

The Immigration Office:

- Provides advice and assistance relating to immigration into the Island, including processing of applicants.
- Maintains computerised database of persons residing in and persons visiting the Island through collected arrival and departure cards.
- Provides advice and assistance to the Immigration Committee, a statutory body created by the Immigration Act 1980.
- Oversees referendum and electoral matters, both for Norfolk Island and overseas.

There are three authorised persons within the section who exercise statutory authority in relation to certain immigration applications.

In 2002/2003

- The review of laws and policies relating to immigration, which was completed at the end of 1999, is now at the consultation stage.
- New reporting structure implemented.

<table>
<thead>
<tr>
<th>Immigration Statistics:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors staying beyond 30 days</td>
</tr>
<tr>
<td>Temporary Entry Permits issued</td>
</tr>
<tr>
<td>General Entry Permits issued</td>
</tr>
<tr>
<td>(granted under Special Relationship provisions)</td>
</tr>
<tr>
<td>Declaration of Residency granted</td>
</tr>
<tr>
<td>General Entry Permit Quota (February 2002)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Persons on Island 30 June 2003:</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.E.P.</td>
</tr>
<tr>
<td>G.E.P.</td>
</tr>
<tr>
<td>Residents</td>
</tr>
<tr>
<td>Tourists/Visitors</td>
</tr>
<tr>
<td>TOTAL:</td>
</tr>
</tbody>
</table>

The Immigration Section is currently undertaking a full organisational review including the possible relocation of the Section to more appropriate and accessible office space in Customs House.

REGISTRY OFFICE

The Registry is a multi-functional unit within the Administration of Norfolk Island with responsibilities for a wide range of administrative and statutory functions including both Norfolk Island and Commonwealth legislation.

Broadly speaking it includes functions associated with Lands, Courts and Tribunals, Births, Deaths and Marriages, Liquor, Motor Vehicles, Miscellaneous Registries and Planning.

For the last financial year revenue raised in the Registry Office amounted to $424,104.90, mainly through the registration of land dealings.

LAND TITLES OFFICE

During the year the following matters were dealt with:

- The Land Package that was jointly funded by the Norfolk Island and Commonwealth Governments to review and update the Norfolk Island Planning System and legislation was progressed. This involved the review of the Norfolk Island Plan and updating the relevant codes, together with legislation pertaining to the registration of subdivision of land, matters associated with roads and the establishment of a heritage registration system and the establishment of a Planning and Environment Board. It is anticipated that these matters will be fully implemented by mid September 2003.
- The conversions from the old Title System to the Guaranteed Title System continues with some 1,745 certificates of title having been issued. This represents approximately 80% of the portions of land that have been converted to the new title system.
- Absentee landowner portions were re-valued during August 2002, which resulted in increased unimproved values of land for the purposes of the Absentee Landowners Levy Act 1976.
- Under the interim reporting arrangements the Registrar of Titles as Acting Manager for Community Services assumed responsibility for Companies, Social Services, Tourism, Museums and the Library with effect from 16 January 2003 in addition to the usual Registry functions.
- During the year the Registry Section assumed the responsibilities of Clerk under the Public Sector Remuneration Tribunal Act 1992 and Secretary under the Administrative Review Tribunal Act 1996.

Norfolk Island has an area of 3,327 hectares
Summary of Land Transactions

**Land Titles Act 1996**

- Applications registered to create freehold tenure: 39
- Applications to register Crown lease: 8
- Amendment to easement: 3
- Amendment to mortgage: 2
- Determination of freehold title: 1
- Determination of Crown lease: 1
- Discharge of mortgage: 59
- Grant of easement: 18
- Lease: 4
- Mortgage: 134
- Notice of Death: 2
- Register Plan of Subdivision: 1
- Transfers: 85
- Transmission: 1
- Withdraw caveat: 1

**Conveyancing Act 1913**

- Crown lease:
  - Mortgages: 1
  - Discharge of Mortgage: 2
  - Grant: 5

- Freehold:
  - Absolute Sale or Conveyance: 13
  - Mortgages: 10
  - Discharge of Mortgage: 6

---

**COURT REGISTRY**

The Registry Office is responsible for the overall functions of the Supreme Court, Court of Petty Sessions, Coroners Court and Family Law. The Registry Office is also the registry for the Remuneration Tribunal, Employment Tribunal and Administrative Review Tribunal. There are two Court Officers who hold statutory functions under the different Courts and Tribunals. The Registry receives Court and related documents, assists with the arrangements for Court sittings and facilitates the enforcement of orders made by the Courts. The Sergeant of Police is the Sheriff appointed under the *Supreme Court Act 1960* and Bailiff appointed under the *Court of Petty Sessions Act 1960*.

**SUPREME COURT**

The Supreme Court consists of a Chief Justice who is responsible for managing the administrative affairs of the Supreme Court and other such Judges appointed by the Governor-General under the *Norfolk Island Act 1979*. Judges appointed to the Supreme Court of Norfolk Island are Chief Justice Bryan Alan Beaumont and Justice Murray Wilcox.

Criminal matters must be heard on the Island. Civil matters may be heard on the Island, also in Sydney, Canberra and Melbourne. The practice is that matters are heard on the Island. Directions, urgent applications and delivery of judgements occur in Sydney, unless both parties want the matter heard on Island.

Appeals from the Supreme Court lie with the Federal Court of Australia.

Chief Justice Beaumont sat in Norfolk Island the week commencing 1 July 2002 and dealt with 2 appeals from the Court of Petty Sessions, 2 civil matters and 7 directions hearings.

Justice Wilcox sat in Norfolk Island the week commencing 1 June 2003 and dealt with 1 criminal matter, 1 appeal from the Court of Petty Sessions and 7 civil matters. There were 6 directions hearings by telephone hook-up.

**COURT OF PETTY SESSIONS**

Mr R.J. Cahill, Chief Magistrate of the A.C.T. is responsible for managing the administrative affairs of the Court of Petty Sessions under the *Court of Petty Sessions Act 1960*. The jurisdiction of the Court may be exercised by the Chief Magistrate or any three Magistrates (including the Chief Magistrate) to hear and determine, in a summary manner, all criminal matters arising under a law in force in Norfolk Island where an offence is punishable on summary conviction. The Court has jurisdiction to determine civil claims not exceeding $10,000.00.

Magistrates appointed to the Norfolk Island Court of Petty Sessions are Mesdames E.M. Sanders, P.C. Magri, K. Smith; Messrs John Walsh of Brannagh, A.F. Buffett, H.B. Martin and R. Sills. The Chief Magistrate presided at a special sitting of the Court the week commencing 2 December 2002 and dealt with 1 criminal matter. Two telephone directions hearings were carried out during the year. In addition to the special sittings on 2 December 2002, the local Magistrates dealt with various matters at 12 ordinary sittings and 9 special sittings during the year. Court reports are made available to the local paper to keep the community aware of matters coming before the Court.

**FAMILY COURT**

The Court of Petty Sessions has jurisdiction under the *Family Law Act 1975* to entertain proceedings under the Act including dissolution of marriage. The Sydney Registry of the Family Court of Australia is the principal registry for family law matters in Norfolk Island.

During the year the Court dealt with 10 applications for divorce and 2 Consent Orders. 1 Maintenance Agreement was filed.

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**SUMMARY OF COURT PROCEEDINGS**

**Court of Petty Sessions**

- Criminal summons: 65
- Domestic violence: 5
- Civil summons: 2
- Default summons filed: 373
- Family Law matters: 13
CORONERS COURT
The Coroner’s Act 1993 provides for holding inquests into the manner and cause of death, inquiries into the cause and origin of fires and for related purposes. The Coroner, Mr R. Reynolds, is responsible for the administrative affairs of the Court. The Deputy Coroner is Mr R.E. Adams.
The Court did not sit during the year.

EMPLOYMENT TRIBUNAL
The Employment Tribunal established under the Employment Act 1988 has jurisdiction to adjudicate and review decisions relating to minimum wages and working conditions and compensation for work related accidents. The Tribunal is the Court of Petty Sessions and members of the Tribunal are the Chief Magistrate and Magistrates appointed under the Court of Petty Sessions Act 1960. Appeals from the Tribunal lie with the Supreme Court of Norfolk Island.
No matters came before the Tribunal during the financial year.

PUBLIC SECTOR REMUNERATION TRIBUNAL
The Public Sector Remuneration Tribunal was established in 1992 with power to determine general adjustments to wages payable to public sector employees and the amount or basis of calculation of the general adjustment to be paid. Justice Trevor Rees Morling is mediator to the Tribunal.
Justice Morling dealt with 1 matter in Norfolk Island on 13 January 2003. There was one-phone directions hearing.

ADMINISTRATIVE REVIEW TRIBUNAL
The Administrative Review Tribunal Act 1996 provides a mechanism for persons to appeal against certain decisions made by Ministers and Administration Officers. Currently only decisions under the following legislation are reviewable.
• Planning Act 1996
• Land Titles Act 1996
• Land Administration Fees Act 1996
• Billboard Act 1996
• Crown Lands Act 1996
• Public Health Act 1996
• Public Reserves Act 1997
• Trees Act 1997
Members of the Tribunal are:
• President – Chief Magistrate Ron Cahill
• Senior Member – Dr John Walsh of Brannagh
• Members – Elaine Sanders, Kate Smith, Patricia Magri, Albert Buffett, H. Brett Martin and Ray Sills.
During the year there were 7 sittings of the Tribunal and 6 telephone directions hearings.

BIRTHS, DEATHS AND MARRIAGES REGISTRY
The Births, Deaths and Marriages Act 1963 governs the registration of all births, deaths and marriages occurring in Norfolk Island. The Registrar and Deputy Registrar are authorised Marriage Celebrants under the Commonwealth Marriage Act 1961.

Summary of Births, Deaths and Marriages

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>Births</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Deaths</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Marriages</td>
<td></td>
<td>35</td>
</tr>
</tbody>
</table>

MISCELLANEOUS REGISTERS
The Registry Office maintains registers in respect of Powers of Attorney, Bulls, Dogs, Bills of Sale, Brands and Marks, Wills Depository.
Other duties carried out by the Registry staff include issuing photographic gun licences under the Norfolk Island Firearms Act 1997 and Regulations and photographic driver’s licences under the Road Traffic Act 1982.

PLANNING
The Planning Section within the Registry Department has as its key functions the administration of the following legislation:
• Planning Act 1996
• Building Act 1996
• Subdivision Act 1996
• The 1996 Norfolk Island Statutory Plan and Subdivision Code
In the financial year 2002/2003 there have been 141 planning applications lodged under these Acts. Of this number there were 63 category 1 applications (permissible with consent); 77 category 2 applications (subject to more detailed consideration) and 1 category 3 application (ordinarily prohibited).
Respective fees for planning applications are as follows:
• Category 1 $130.00
• Category 2 $165.00
• Category 3 $280.00
Planning Board
This Section provides secretarial support services to the Norfolk Island Planning Board in assessing category 2 and 3 applications.

Crown Lands Act 1996
The Planning Section provides advice and assistance to the Administrator in relation to Crown lease matters and additionally provides an inspection service for Crown lease portions.
COMPANIES
The Companies Office administers the Companies Act 1985. This legislation provides for the registration of companies and associated activities. It is locally enacted legislation, which although similar to mainland legislation is separate and independent from it. The Companies Office also administers the Business Names Registration Act 1976 which requires persons and corporate bodies carrying on business in a name other than their own to register that name. For both companies and business names, information lodged with this office becomes publicly available information.

In 2002/2003
- 11 new companies were incorporated
- 187 companies were registered
- 127 new business names were registered
- fees of $55,100.00 were collected for companies
- fees of $1,443.00 were collected for business names

The Companies Office is staffed by the Registrar of Companies and the Assistant Registrar of Companies who between them attend to all Companies Office duties as well as an extensive range of other activities.

In June 2003 the Business Names Act 1976 regulations were amended to adjust the fees charged to a fee unit. This amendment has brought business fees in line with other jurisdictions and will be adjusted in July each year in line with the Retail Price Index increase.

The Companies Office has received draft copies of new legislation which will be an Associations Incorporation Act. Part of this legislation will allow all Associations to appoint either a member or non-member to prepare financial details for the Association.

RETAIL PRICE INDEX
The Retail Price Index measures the average price movement in a basket of goods which has been determined by a household expenditure survey to represent the purchases of a Norfolk Island household. The Index number is calculated every three months and is comprised of ten sub-groups making up the all groups number.

In 2002/2003 the all groups Index Number was:
- quarter ended 30/6/02 142.0
- quarter ended 30/9/02 143.1
- quarter ended 31/12/02 currently being processed
- quarter ended 31/3/03 currently being processed
- quarter ended 30/6/03 currently being processed

The Index Number:
- is one of the factors taken into account in determining Administration salary movements.
- is used to increase the Administration fee units.
- is a general guide to inflation in Norfolk Island.

SOCIAL SERVICES
The Norfolk Island Government meets its welfare obligations in Norfolk Island by providing the following benefits to qualifying residents:
- Age Benefit
- Invalid Benefit
- Widowed Persons Benefit
- Handicapped Children’s Benefit
- Special Benefit
- Supplementary Children’s Benefit

Benefits are paid fortnightly and adjusted every six months to take into account the changes in the cost of living in Norfolk Island. Pensions are paid on a needs basis and are reduced according to the recipient’s income from other sources.

In addition to receiving a benefit, those persons in receipt of a payment are also entitled to pension related benefits which include:
- Assistance with hospital and medical expenses
- 20% reduction in motor vehicle registration
- 20% reduction in telephone rental charge
- Exemption from the Financial Institutions Levy
- Reduction in the cost of electricity

In addition to benefits, the Norfolk Island Government also provides for persons who would be eligible for a benefit in Norfolk Island but are in receipt of a benefit elsewhere. If a person falls into this category and they are eligible they then also receive pension-related benefits, which is mainly Hospital and Medical Assistance.

At 30 June 2003, 83 persons were in receipt of a benefit comprising of:
- Age Benefit 63
- Invalid Benefit 7
- Special Benefit 10
- Long Term Nursing 3

As at 30 June 2003, 26 persons were in receipt of pension related benefits only.

During the year Hospital and Medical Assistance granted 34 airfares off Norfolk Island for medical visits either to Sydney, Brisbane or New Zealand.
A current review of the Social Services system is currently under way assessing all areas of social services on Norfolk Island with a view to amending current legislation and writing policy and guidelines in certain areas. These changes will assist officers in determining applications and payments of expenses along with ensuring the Norfolk Island community has a fair and equitable social services scheme.

**TOURISM ACCOMMODATION**

The functions of the Tourism Accommodation Section are managed by the Tourism Officer, who is responsible for administering statutes in accordance with the *Tourist Accommodation Act 1984*.

### 2002/2003 Total Visitor Numbers

The 2002/2003 financial year was Norfolk Island’s third highest financial year for visitor numbers, resulting in a total of 37,671 visitors. This was an increase of 4,052 more visitors compared to the previous financial year.

**Visitors in Public Accommodation**

A total of 34,233 visitors stayed in tourist accommodation with the average length of stay being 7.6 days.

The total number of visitor days in public accommodation this financial year was 260,207, an increase of 16,176 visitor days compared to the previous financial year.

<table>
<thead>
<tr>
<th>Visitors via Australia</th>
<th>Total Visitors</th>
<th>Visitors Accommodated Privately</th>
<th>Visitors In Public Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>18,344</td>
<td>1,279</td>
<td>17,065</td>
</tr>
<tr>
<td>Brisbane</td>
<td>12,317</td>
<td>1,339</td>
<td>10,978</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,661</strong></td>
<td><strong>2,618</strong></td>
<td><strong>28,043</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visitors via Auckland - New Zealand</th>
<th>Total Visitors</th>
<th>Visitors Accommodated Privately</th>
<th>Visitors In Public Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,961</strong></td>
<td><strong>788</strong></td>
<td><strong>6,173</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visitors via Ships/Yachts</th>
<th>Total Visitors</th>
<th>Visitors Accommodated Privately</th>
<th>Visitors In Public Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>10</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Visitors via Other Charters</th>
<th>Total Visitors</th>
<th>Visitors Accommodated Privately</th>
<th>Visitors In Public Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>22</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

**TOTAL**

37,671 3,438 34,233
Tourist Accommodation as at 30 June 2003

<table>
<thead>
<tr>
<th>Classification</th>
<th>Houses</th>
<th>Units</th>
<th>Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-contained Apartment/Cottage</td>
<td>57</td>
<td>331</td>
<td>1003</td>
</tr>
<tr>
<td>Hotel</td>
<td>5</td>
<td>184</td>
<td>401</td>
</tr>
<tr>
<td>Guest House/Lodge</td>
<td>3</td>
<td>70</td>
<td>147</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>65</strong></td>
<td><strong>585</strong></td>
<td><strong>1551</strong></td>
</tr>
</tbody>
</table>

Registration Fees
The Tourist Accommodation Registration Fee was charged quarterly at $1.00 per registered bed (available guest position) per night. Whether the fee increases or not depends on the Retail Price Index calculated for the March quarter. This financial year there was no increase in the fee. Registration fees invoiced for the 2002/2003 financial year totalled $570,931.00.

Star Ratings – AAA Tourism
AAA Tourism is the national tourism body of the Australian Motoring Organisation and now administers all property assessing, guide productions and database operations. Star rating assessments are based on a thorough points based review. The assessment produces a numerical result, which identifies an appropriate star rating. Each accommodation and its rating are entered into an Australian Accommodation Register used by travel agents and travellers. The star rating conveys a measure of quality which assists the accommodation provider to target particular markets of travellers prepared to pay particular rates. Changes in ratings over periods of time help to identify positive or negative trends in the accommodation industry.

Star Ratings – Visit by AAA Tourism Area Manager
In July 2002 AAA Tourism’s Area Manager made a three-day visit to Norfolk Island to meet with accommodation operators and give a presentation on the new revised star-rating scheme prior to the 2002 assessments. The presentation was well attended by the vast majority of the industry who found the presentation beneficial and informative.

Star Ratings – 2002 Assessments
In August and September 2002 two assessors from AAA Tourism conducted a ten-day star rating assessment on each of the Island’s tourist accommodation houses. This year’s star ratings were conducted under a new revised assessment scheme and AAA Tourism placed a twelve-month moratorium on star ratings. The moratorium allowed the properties that scored lower under the new scheme to maintain their previous rating for a further twelve months. Therefore no property was actually downgraded during the 2002 assessments, however some properties did increase their star rating.

Star Rating Assessments as at 30 June 2003 (By Units)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Not Yet Assessed</th>
<th>Rating Under Review</th>
<th>2½ ★</th>
<th>3 ★</th>
<th>3½ ★</th>
<th>4 ★</th>
<th>4½ ★</th>
<th>5 ★</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-contained</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>17</td>
<td>179</td>
<td>55</td>
<td>71</td>
<td>2</td>
</tr>
<tr>
<td>Hotel</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>109</td>
<td>34</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Guest Lodge</td>
<td>0</td>
<td>0</td>
<td>41</td>
<td>0</td>
<td>9</td>
<td>0</td>
<td>61</td>
<td>0</td>
</tr>
</tbody>
</table>

| Total Units          | 3                | 2                   | 43   | 17  | 297  | 89  | 132  | 2   |
| Average %            | 5%               | 3%                  | 7.4% | 2.9%| 50.8%| 15.2%| 22.6%| 3%  |

Since the deregulation of the tourist accommodation industry in 1996, there has been a definite improvement in the standard of available tourist accommodation Norfolk Island has to offer.

In 1995
- 84% of Norfolk Island’s tourist accommodation was 3 star or lower
- The lowest standard of tourist accommodation was 1 star
- The highest available standard of tourist accommodation was 4 star

In 2002
- 89% of Norfolk Island’s tourist accommodation is now 3½ star or higher
- The lowest standard of tourist accommodation is now 2½ star
- The highest standard of tourist accommodation is now 5 star
MUSEUMS

Mission
“To research, collect and exhibit objects and material of significance for the purpose of interpreting Norfolk Island’s cultural and environmental heritage. To preserve such objects in appropriate conditions according to professional standards and practices in order that Norfolk Island’s story be protected and available for the benefit of present and future generations. To encourage interest and study in Norfolk Island’s heritage and to secure all Norfolk Island Museum Collections by planning for the future”. This Mission Statement was adopted in March 2003.

Legal Responsibilities

General Overview
Housed in six convict buildings, the Norfolk Island Museum operates four Museums, a Research Centre, a Cafe and Bookshop. Museum collections include material from the Polynesian, Convict and Pitcairn Settlements and are open to the public daily. The museum offers guided tours of the museums and produces the historic play The Trial of the Fifteen twice a week. The Research Centre handles inquiries from the general public on a fee for service basis. The bookshop stocks books, videos, music and other material associated with Norfolk Island’s history and environment.

Achievements during 2002/2003
Trial of the Fifteen
The 300th performance of the Museum’s historic play was staged in June 2003 and over 2,100 people saw the play this year (bringing the total audience since 1999 to over 15,000). The Norfolk Island Museum Trust, Administration and author of the play (Peter Clarke) entered into an agreement which will see the profits of the play separated from Museum accounts and spent on projects and items outside of the regular Museum budget.

Archaeological Collection
The year saw further significant progress cataloguing ceramics in the Archaeological Collection. A new floor in the back room at the Archaeological Museum was completed during the year and opened the area up for further displays. A book identifying ceramics found at Kingston is being printed and is due for release in October 2003. This will coincide with an Archaeological Conference being held in early October.

Exhibitions
The Museum opened two exhibitions during the year highlighting Whaling, and construction of the Norfolk Island airfield during WWII. The exhibition – War and Peace was assisted by a grant received from the Department of Veterans Affairs and held in collaboration with the RSL and Norfolk Island Airport.

Conservation
Over 200 artefacts raised during the 2002 Sirius Exhibition have now been conserved and will shortly join other material on display in the Maritime Museum. Publication of the 2002 Sirius Exhibition Report is currently being printed.

Ticket Sales
Sales of Museum entry tickets increased dramatically over the previous financial year and approached the $200,000 mark (an increase of $30,000). Bookshop sales were down – generally reflecting increased competition from new shops in town. Cafe sales were over that budgeted. Overall sales of food, books and museum tickets at the Royal Engineer’s Office was over $105,000 and this venue remains the main point of sale for all museum activities.

Strategic Plan
The Museum Trust and Director of the Museum made significant progress on a new plan to progress the Museum over the next 5 years. This is now close to completion and will be the main policy document providing future direction for the Museum.

Major Challenges/Opportunities facing the Section
Increase sales of tickets, cafe and bookshop
The Museum will continue to face strong competition from other players marketing Norfolk Island’s cultural heritage. In light of this, the Museum will both seek new sales lines and further produce items not found in other shops.

Growth
One issue identified in the Strategic Plan is the need to provide new storage space and conservation facilities in the immediate future, and new Museum exhibition and performance spaces in the longer term. While the Museum has shown it can provide funds for such projects – the question of location remains yet to be resolved. It is anticipated that the Australasian Society of Historical Archaeological Conference to be held in October 2003 will highlight the archaeological significance of the Kingston area and stimulate interest in the Museum’s important collections and foster future research projects in the area.

Looking back over the Annual Report for 2001/2002 Challenges for the Future, it is
gratifying to see the return of tourist confidence and numbers of visitors coming to the Museums.

**NORFOLK ISLAND PUBLIC LIBRARY**
The Norfolk Island Public Library continues to offer a high standard of service to the community. A large number of residents and visitors enjoy the excellent range of material available. This includes fiction and non-fiction, a good range of large print books and an adequate range of audio material. Visitors continually praise the high standard of service that the Library offers, particularly in comparison to small community libraries in Australia and New Zealand. They appreciate being able to borrow material for the length of their stay, and some just call in to browse through the Norfolk Island Reference Section. Students from the Norfolk Island Central School utilise the reference section for school projects and Librarians are happy to assist with research when possible. The children’s section is utilised mostly by pre-school age children who enjoy the large range of picture books which are available to this age group. A basic annual subscription costs $10.00 and enables the subscriber to borrow up to 5 articles at any time. Subscribers can pay more, according to the number of articles they wish to borrow. The lending period is for one month. The Library is open for 13 hours a week, over a period of 4 days with staggered hours so that everyone can find a time that is suitable to visit. It is staffed by one part-time Librarian and three Assistants. The Norfolk Island Quota Club once again donated large print books to be used as memorials and the Library is very grateful for this contribution. A large order is placed once a year with Ulverscroft in New Zealand and the order is despatched from England. Culling of old fiction books took place again this year to make room for new ones. Shelf space is limited in both fiction and non-fiction sections and it is hoped that the Library can acquire more space in the future to house some of the older books. The Library also provides copies of all laws relating to Norfolk Island, Reports relating to Norfolk Island and Hansard of Legislative Assembly meetings as they come to hand.

**HEALTHCARE**
This Section has the responsibility of administering and providing advice and assistance in respect of the **Healthcare Act 1989** and the **Healthcare Levy Act 1990**. The Norfolk Island Healthcare Scheme provides medical insurance that protects all members against catastrophic medical costs by:

- Paying all approved medical costs in excess of $2,500 in a financial year (1 July to 30 June) which include:
  - Payment of approved medical expenses and prescribed drugs incurred at the Norfolk Island Hospital as well as offshore, provided that a referral is first obtained from a doctor at the Norfolk Island Hospital.

   Membership is compulsory for all persons ordinarily resident in Norfolk Island except those whose medical costs are fully funded by the Department of Veterans Affairs.

   **In 2002/2003**
The Healthcare Fund generated revenue of $754,226.00 from levies collected. There were 103 families that claimed from the Fund throughout the year, an increase of 14 families compared to last year. This year the largest one claim lodged with the Fund was in excess of $50,000.00. There were four other claims that exceeded $20,000.00. No claim was made to our re-insurer for this financial year. The total paid for claims lodged against the Healthcare Scheme was $481,295.00. Of this amount 45% was for local medical costs and 55% for offshore costs.

**EMPLOYMENT AND WORKERS COMPENSATION**
This Section has the responsibility of administering the Employment Act 1988 which includes the Workers Compensation Fund and:

- Provides advice and assistance to employers and employees on entitlements, minimum wages and conditions;
- Provides assistance to Employment Conciliation Board members;
- Manages the Workers Compensation Fund which includes collection of monthly levies, recording data and processing applications for compensation for medical expenses and weekly benefits payments;
- Participates in the Occupational Health and Safety Committee for the Norfolk Island Administration. In this financial year occupational health and safety training was undertaken by members of the Norfolk Island Administration’s interim OH&S Committee.

   **In 2002/2003**
The Workers Compensation Fund generated revenue of $251,915.00 from levies collected. The cost to administer the Fund was $139,654.00, which included expenditure items such as:

- $98,415.00 for insurance
- $20,000.00 for management fee

The Workers Compensation Fund is operated as a Government Business Enterprise. No dividends are taken from the Fund for the Revenue Fund.
As at 30 June 2003 the Scheme has accumulated funds of $623,900.00.

Statistics
During the 2002/2003 financial year there were 102 incidents reported. In comparison to the last financial year, this year there was a 12.5% decrease of work related injuries. Of the 102 incidents occurring this year, 13 persons received assistance for weekly benefits. Two other persons received assistance for workplace injuries sustained in previous financial years. Statistics indicate that 17% of the 102 injuries were back related injuries and 14% of the injuries were eye injuries. Accident reports indicate that failure to use personal protective equipment as the most common cause for eye injuries and incorrect handling techniques as the cause for back injuries.

NORFOLK ISLAND POSTAL SERVICES
The Post Office and the Philatelic Bureau are operated as a Government Business Enterprise. The two departments, under the one name “Norfolk Post” provide a full range of postal services.

POST OFFICE
The Post Office receives and distributes mail made up of standard letters, large letters and other articles consisting of magazines and small packets and parcels, locally and worldwide. Three levels of delivery are provided and these are express, air and regular/surface mail. There are add-on options such as registration, person to person, advice of receipt and insurance to most countries. A wide range of packaging and stationery items are on sale at the Post Office. Most of these retail items have been moved into the public area for customer convenience.

Other services include:
- A public facsimile service.
- Inquiries/bookings for Rawson Hall.
- Issue/payment of Australian Money Orders.
- Rental/provision of 1001 private letter boxes.
- Three external letter posting boxes.

Major Challenges
Norfolk Post in conjunction with the local mail order houses is helping to build a growing mail order service. This helps boost the local economy such as creating employment, import duty and postal revenue. Norfolk Post plays a major role in receiving, despatching and the distribution of goods locally and world-wide. Due to Norfolk Island’s relative isolation there will always be a strong demand for the transportation of goods in and out of the Island. However to maintain market share it must stay in the forefront, keeping up with change and technology. This will benefit the community with an ongoing fast and reliable service.

Postal Statistics
Mail Received:
- Express mail items 12,500
- Standard letters 250,000
- LC/AO items 80,000
- Registered Post 2,000
- Parcels 5,500
- Local mail sorted 245,000
- Total weight received 86,000kgs

Mail Despatched:
- Express mail items 1,000
- Standard letters 180,000
- LC/AO items 25,000
- Registered items 2,500
- Parcels 4,000
- Total weight despatched 30,000kgs

PHILATELIC BUREAU
General Overview of Functions
- Provide design concepts, production, marketing and stock control of all Norfolk Island stamps, phonecards, coins and medallions.
- Service over 4,500 standing order customers with their requirements for each new issue.
- Send 6,000 Philatelic Bulletins to customers, stamp clubs and stamp dealers 4 times each year.

Achievements during 2002/03
Stamp Issues Released in 2002/03:
- Phillip Island Flowers Definitive Parts 1 & 2.
- 2002 Commonwealth Games Special Issue.
- Joint Issue with New Caledonia – Sperm Whales.
- Special First Flight Cover – Alliance Airlines.
- Horses of Norfolk Island Issue.
- Photographic Scenes of Norfolk Island.
- Hippeastrums Issue.

The Norfolk Island Philatelic Bureau played an active role during the Australian Philatelic Traders Association Convention held on Norfolk Island in December 2002. As a result, the Norfolk Island Philatelic Bureau has been invited and accepted into the Australian Philatelic Traders Association as a full member. This relationship gives the Bureau direct communication with the very important commercial side of the industry.

Major Challenges
The same challenges face the industry/hobby this year as last. Philately worldwide is facing an uncertain future with competition from modern innovations such as computer games, the Internet, cable TV and sports that are taking collectors away from the hobby. As
well, many people no longer use the mail to communicate, so fewer stamps find their way into households to interest children – the future collectors. These, combined with the trend to collect “thematics” rather than “countries” results in a serious challenge by Norfolk Post to keep philately as the worthwhile revenue earner for the Norfolk Island economy it has traditionally been.

The Internet and e-mail has had a positive impact on the interest in Norfolk Island stamps. The linkages to our web site have created interest from all over the world. Recent issues have proven to be very popular due to innovative and attractive concepts and designs. It is hoped that this trend will continue.

**NORFOLK ISLAND LIQUOR BOND**

The Norfolk Island Liquor Bond has the sole authority for the importation of liquor products into Norfolk Island. The main function of the Liquor Bond is to provide an efficient and courteous service to the retail public and licensed premises and in doing so, contributing a profit to the revenue fund.

The Norfolk Island Liquor Bond continues to support the following events held on Norfolk Island on behalf of our suppliers:

- Bounty Bowls Tournament
- Country Music Festival
- International Clay Target Shoot
- Norfolk Island Golf Classic
- Benefit Nights

The Liquor Bond continues to compete with external duty free outlets with good results. The Liquor Bond served 75,817 customers with total sales of $4,435,383.00.
ENVIRONMENT AND INFRASTRUCTURE

WORKS DEPOT
The Works Depot is a multi functional department within the Administration. The Works Depot is responsible for construction and maintenance to Administration buildings (except KAVHA), construction and maintenance of roads, bridges, maintenance to all public places, disposal of refuse at the two Headstone waste disposal depots, the landing places at Kingston and Cascade, construction of coffins and arrangements for burials.

The purpose of the Works Depot is to develop effective works programs and to develop a high quality of workmanship and efficient performance practices, ensuring that the expenditure of public money is carried out efficiently.

The Works Depot operation is under the control of the Works Superintendent who is accountable to the Director Environment and Infrastructure. Part of the Works Superintendent’s responsibilities is to establish and maintain a regime for continuous and effective responses to all inquiries, suggestions and complaints from the public. Of the four sections, Roads, Building Maintenance and Grounds/Public Places are under the control of the Works Foreman and the Mechanical section is under the control of the Foreman Mechanic.

The Works Depot is staffed by 21 full time officers and 4 part time officers.

During 2002/2003 major works carried out by the various Works Depot Sections were as follows:

**Grounds and Public Places**
- Provided regular refuse collection and disposal, cleaning of toilets and maintenance to public places Island-wide.
- Maintained grounds and gardens and carried out maintenance at the Bicentennial Centre and in Burnt Pine.
- Maintained grounds and gardens at public and picnic areas Island-wide.
- Continued with maintenance to the school sports oval and the oval at portion 44a.
- Maintained both Headstone Tips in conjunction with the Tip Contractor.

**Building Maintenance**
Building Maintenance is responsible for maintenance of all Administration buildings including the school and two attached residences; Administration houses; Works Depot; Radio Station; Library; Telecom; Bicentennial Complex (Customs, Liquor Bond, Post Office, Tourist Bureau); Rawson Hall; Powerhouse; Electricity Shed; Waste Management Shed; Lighterage Shed; Airport Terminal and surrounding buildings; public facilities; Kingston and Cascade jetties.

Building Maintenance is also responsible for coffin construction, painting of all Administration properties and constructions and extensions where appropriate.

**Achievements during 2002/2003**
- Planning and construction of the Waste Management Shed.
- Installation of Ortex insulation at the Powerhouse.
- Planning of two new Immigration offices at Customs.
- Planning of new Customs office and storage extension.
- Painting and maintenance to the School Principal’s residence.

**Major Challenges**
- Completion of construction projects
- Meeting ongoing maintenance demands with limited staff
- Re-pitching roof of Lighterage Storage Shed
- Installation of new shutter door on school bus shed.

**Roads**
This section aims to achieve a high standard of road networking by upgrading the Island’s existing deteriorating roads in addition to normal routine cyclic road maintenance including

- General road patching Island-wide.
- Guide post and sign post maintenance.
- Metal load-outs and deliveries.
- Culvert cleaning, flush-outs, maintenance.
- Relocation of machinery and equipment to the Waste Management site.
- Ship carting for all cargo imported by the Administration.

**Achievements during 2002/2003**
- Reconstruction of the road at Emily Bay.
- Sealing of Collins Head Road.
- Major works at Mount Pitt Road including construction, sealing and cleaning of new road.
- Construction of a retaining wall at Beefsteak Road.
- Concrete construction and earthworks at the Waste Management Centre.
- Driveway construction and sealing at new Met Office.
- Erect and dismantle marquee for Country Music Festival and Blues Festival.
- Overhaul of Cockpit Bridge.

**Major Activities**
Two 2 week training courses including:
- 2 week Plant Equipment Operation.
- 2 week Road Construction/Sealing Techniques.
- 1 week Bitumen Sprayer Operations.
- 1 week First Aid Courses.
- Plant Operation Licences.
Mechanical Section
The functions carried out by the Mechanical Section are diverse. This section provides a service to all sections of the Administration, namely vehicle and plant maintenance, servicing, welding and fabrication, panel and painting. It also provides a service to the private sector when required.

Achievements during 2002/2003
- Implementation of a second hand Japanese vehicle program which proved to be very successful.
- Building of a fire truck from the chassis up.
- All planned projects were completed.

Major Challenges
- To continue to provide an efficient and reliable service to all sections of the Administration.
- To continue upgrading old and obsolete plant & equipment.

LIGHTERAGE SERVICE
This section is administered by the Lighterage Act 1961.
Lighterage operations took place at Kingston for 17 days and at Cascade for 28 days. Ships were anchored off the Island for 20 days unable to discharge cargo due to adverse weather conditions. Construction of Lighter No. 2002 was completed during the year.

Cargo vessels from 1 July 2002 to 30 June 2003:
- From Australia 12
- From New Zealand 9
Total cargo imported:
- 10,914 Tonnes
- 17,828 Cubic Metres
Total number of vehicles imported 178

ADMINISTRATION STORE
The Administration Store is a Section of the Works Department and reports to the Works Supervisor. The Store currently has two full time staff members and one temporary staff member in the three established positions.
The Administration Store is responsible for the procurement, receipt, maintenance, costing, preliminary payment authorisation and issue of all stores and equipment required to meet the day to day operations of all sections of the Administration. This includes all Government Business Enterprises (GBEs).
The service provided by the Administration Store continues to increase significantly. The following Store statistics displays the growth of customer service.

Due to new management strategies in respect to non-essential slow moving stock and obsolete stock, stock lines on hand at the end of the period was 6188. The Smartstream System easily identifies these items.
A total of approximately 10,853 over-counter issues were performed in the 2002/03 financial year ($322,581.98 worth of stock).
Stock value on hand as at 30 June 2003 was $833,437.06.
In 2002/2003 the Purchasing Department raised 2012 stock order lines.

Projects/Achievements
Many Stores processes continue to be streamlined to allow a more efficient work place. Limited staff resources restrict further development in the Stores area.
The Purchasing Department has had limited time to research alternate vendors, however when time permits the aim is to improve arrival times and reduce freight and product costs. Some savings have been made for the Organisation in this area.
Many report options are now available through Smartstream and managers are being presented with monthly reports indicating what stocks are available, on order, have been issued, and by whom.
The streamlining of Stores processes has allowed time for limited staff cross training of the two full time staff members. This has resulted in an inventory stock-take being completed at the end of the financial year.
Due to the changing nature of market costs, time and effort will be focused on sourcing more efficient, cost-effective vendors. This has proved to be a major money saver in the past, and is time well spent. Continual effort will also be focused on the eradication of stagnant stock issues.
More staff training is desirable to further improve warehousing procedures. It is important that Stores staff are certified in dealing with dangerous goods and other associated risks.
HEALTH, BUILDING, QUARANTINE AND WATER ASSURANCE

The Health and Building Section is responsible for public health, quarantine, building controls and the Water Assurance Scheme. These responsibilities encompass:

- Development of public health legislation and audit systems.
- Public health inspections and monitoring, including issuing and monitoring sale of food licences; monitoring Australian and New Zealand food standards; liquor licence inspections; and inspecting hairdressing establishments and slaughter houses.
- Norfolk Island Quarantine Inspection Service - including inspection of imports and granting export certificates; monitoring of stock diseases; agricultural and environmental pests; vectors and diseases.
- Reviewing and monitoring biological controls.
- Monitoring and regulating the movement of dangerous goods.
- Industrial safety inspections, investigations and reports; occupational health and safety inspections; support for Administration OH&S Committee activities.
- Environmental monitoring – water quality, waste disposal, noise, dust, and hazardous substances.
- Develop, maintain and operate the Water Assurance Scheme; approvals and inspections of sewer connections and septic tanks.
- Inspect and monitor building projects and sites for compliance with planning and building approvals.
- Co-ordinate emergency management services to agriculture and animals in the event of an emergency or disaster.

In 2002/2003

Public Health
Two significant public health issues required attention between March and May 2003:

- Severe Acute Respiratory Syndrome International Alert – Review, develop and co-ordinate Norfolk Island systems and procedures (customs, immigration, hospital and medical services and public health).
- PAN Pharmaceuticals product recall April 2003 – Co-ordinate and oversee community and Administration action.

One shipload of imported perishable foods that should have been kept frozen but was not shipped under refrigeration was rejected under public health regulations.

Quarantine
In February 2003 a cargo vessel was found to be heavily infested with an exotic earwig on arrival at Norfolk Island. The vessel was not granted a quarantine clearance and following an unsuccessful attempt to control the earwig infestation in Norfolk waters, sailed to Auckland where the vessel was fumigated before returning to Norfolk Island.

Building
New building standards legislation was developed as part of the Land Initiative.

What’s Next?
In 2003/2004 we will:

- Review all public health legislation.
- Investigate arrangements for an independent audit of quarantine services.
- Continue extensions to sewer mains.
- Construct dewatering beds at sewage treatment plant (dependent on availability of crushed rock).
- Relocate septic pump out receival pit to sewage treatment plant (dependent on availability of crushed rock).
- Sponsor a building industry workshop on the new building standards and approval procedures to be introduced with the new Land Initiative legislation.

NORFOLK ISLAND PARKS AND FORESTRY SERVICE

The Norfolk Island Parks and Forestry Service is responsible for managing public reserves (totalling approximately 225 hectares); 34 hectares of other public lands; the 130 hectare Forestry Zone within the National Park; and the Timber Treatment (Tanalith) Plant. The Norfolk Island Parks and Forestry Service is also responsible for issuing permits to take protected trees; roadside noxious weed control; and providing conservation, environmental and forestry management advice to the Norfolk Island Government, Administrator and the public.

In 2002/2003

Public Reserves

- 40 permits were issued for a variety of activities in Public Reserves, including camping, biological research, commercial activities such as walking tours and barbecues, and community activities.
- The Plans of Management for Public Reserves, including KAVHA, were approved by the Norfolk Island Legislative Assembly on 18 May 2003. The Administrator made the Plans of Management on 17 July 2003 after receiving direction from the Commonwealth Minister for Territories.
- General weed control was undertaken in Cascade Reserve, Ball Bay Reserve, Point Hunter Reserve and Selwyn Reserve. In Ball Bay Reserve approximately 1.3ha of woody weeds was cleared to prepare for native forest establishment in April/May 2003.
• A member of the community replaced native plants and generally rehabilitated the plantings in the Anson Bay Reserve picnic area.
• A pedestrian access gate was installed at the eastern entrance to Hundred Acres Reserve.
• Work commenced to provide a small stockyard in Stock Reserve.
• Efforts to control and eradicate Madeira Vine (Lambs Tail) and Coral Berry in Hundred Acres Reserve continued. A patch of avocados and tallow wood infested with root rot *Phellinus noxius* was cleared and burned.
• Boundary fencing was replaced in Selwyn Reserve (along Anson Bay Road), Point Ross Reserve and Headstone Reserve. Fences were also repaired in Ball Bay, Two Chimneys and Headstone Reserves.
• Steel gates, most in very poor condition, and electric wire gates were replaced with new wooden gates in a number of Reserves.
• A significant mature Norfolk Island pine was removed from Cemetery Reserve.
• Support was given to community events, including – National Tree Day by providing 100 trees for public tree planting and Art-in-the-Park in Hundred Acres Reserve.

**Forestry**
• 43 permits were granted under the *Trees Act 1997* to remove 125 protected trees on private land, mainly mature Norfolk Island pines which were dead, dying or a safety hazard.
• Replaced vacant Crown land portion boundary fence at Middleridge and carried out maintenance on public lands fencing.
• Repairs were required to plant and equipment – D6, 6WD bike, slasher.
• Forestry Zone activities included clearing, pruning plantation trees, weed control in plantations, slashing and fire break maintenance.
• Norfolk Island Parks and Forestry resources, including the D6 and tracked loader, operators and drivers prepared the new Waste Management Centre building site and constructed the berm.
• Selected gums were harvested for posts and poles.
• Roadside weeds were controlled at Cutters Corn and on vacant Crown land at Shortridge (near Ionospheric Station/John Adams Road), as well as general roadside weed control activities.

**Norfolk Island Parks and Forestry Service Nursery**
• Repaired shade covers and carried out general maintenance.
• Heavy demand for nursery resulted in only 5,445 native plants (mainly pine) plus pine seedlings in seedbeds remaining in stock at 30 June 2003.

**Tanalith (Timber Treatment) Plant**
• The timber treatment plant treated 610.46m³ of pine (mainly privately owned) plus gum posts and poles from the forestry plantations. This was approximately three-quarters of the amount of timber treated in 2001/2002, reflecting an easing in demand for treating private timber.
• In 2001/2002 a backlog of timber awaiting treatment resulted from a combination of high demand for timber treatment; small plant capacity, and equipment failures. By the end of September 2002 this backlog had been eliminated.
• New vacuum pump installed, resulting in improved chemical retention of about 30% and also reduced the time to process each charge by about one hour.

**Forestry Sales**
• Norfolk Island Parks and Forestry Service operations resulted in the following sales of forest products and services:

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber Treatment</td>
<td>$65,072</td>
</tr>
<tr>
<td>Forestry Produce (including nursery sales)</td>
<td>$15,647</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$80,719</strong></td>
</tr>
</tbody>
</table>

• Timber royalties totalled $1,255.
• Pasturage fees, stock inspection fees and dog licences totalled $27,921.
• Combined 2002/2003 revenue from Norfolk Island Parks and Forestry Service activities totalled $109,895.

**Environment Issues**
Advice was provided on a number of planning and environmental issues.

**What's Next?**
In 2003/2004 we will:
• Develop risk management plans for all public reserves.
• Develop the strategy for implementing the Plans of Management for all public reserves.
• Develop integrated community consultation and support arrangements in relation to management of the public reserves.
• Progress towards the creation of a Kingston Marine Reserve that will protect this unique environment and define the continuing use of the area for recreation and shipping.
• Continue to establish native forest habitat and Norfolk Island pine plantations on weed infested public lands.
• Increase the propagation of threatened and endangered plant species.
• Continue to supply timber products for building, agricultural and landscaping on Norfolk Island.
• Review Norfolk Island Parks and Forestry Service fees and charges.
• Review Tanalith Plant operations and business.

STOCK HEALTH AND ANIMAL REGISTRATION
In addition to Health and Quarantine activities, the Administration monitors stock and animal health, particularly aimed at maintaining improved health of cattle that are permitted to graze on Common lands. Stock grazing on Common lands are mustered every six months for general health inspection, drenching and treatment for copper deficiency. Bulls are excluded from Common lands and must be kept in fenced paddocks. Bulls and dogs must be registered.

In 2002/2003
• Pasturage rights were granted for 277 cattle plus their progeny up to six months old to graze on Common lands.
• Public comments were sought on principles that might be applied in revising the pasturage rights allocation policy that would apply to allocations for 2003/2004.
• 79 dogs and 20 bulls were registered in 2002/2003.

NORFOLK ISLAND AIRPORT
The Norfolk Island Airport contains an area of 120.1 hectares (297.7 acres), has two asphalt concrete sealed runways with the primary runway 11/29 being 1950 metres in length and 45 metres wide; and the secondary runway 04/22 being 1435 metres in length and 30 metres wide. Responsibility for the operation and management of the airport has been held by the Norfolk Island Government since the transfer to local ownership in 1991. The Airport GBE has a staffing complement of 6 persons including an Airport Manager, an Operations Officer, and 3 ground staff with one yet to be recruited.

The annual Aerodrome Technical and Safety Inspection, undertaken in November 2002 recorded that the “aerodrome is maintained and operated to a very high level and meets the current standards”.

New changes to Australian civil aviation law has brought into place new aerodrome management requirements. These will see the Norfolk Island Airport conducting additional taskings including runway surface friction tests, a changed Runway End Safety End (RESA) requirement, and putting in place a Safety Management System which focuses on both airside operational safety and landside/airside OH&S.

Current Aerodrome Traffic
The Norfolk Island Airport provides services to many light aircraft and other non Regular Public Transport (RPT) aircraft movements which use Norfolk Island as a staging point on their way to New Zealand, Australia, Lord Howe Island, New Caledonia and Fiji.

Regular French military flights based out of New Caledonia transit through the Airport, in addition to RAAF flights operating to or via Norfolk Island.

Regular Public Transport airlines servicing the Island are Air New Zealand using a Boeing 737-300 from Auckland; Norfolk Jet Express from Brisbane and Sydney gateways utilising a leased Air Nauru Boeing 737-400, and Alliance Airlines which is a new airline running to Norfolk Island using Fokker F-100’s from Sydney and Brisbane.

Airport Runway Pavement Upgrade
The upgrade required for runway 11/29 has been programmed to be undertaken in 2003/04. The core function of the upgrade is to renew the asphalt concrete on the runway, given the current runway’s life of 12 years. Gutteridge Haskins & Davey (GHD) have been appointed as the Project Managers for the runway upgrade and are currently working through the necessary documentation with the Administration.

GPS Satellite Landing System
The SLS 2000 Landing System is now being worked on with an aim of commissioning the system after a long period of uncertainty. The system is proposed to be used by Alliance Airlines, operating out of Sydney and Brisbane ports once the system’s commissioning is completed.

Airport Financial System
For a number of years the Airport GBE has made a book loss after depreciation. This matter is now a key priority for Airport Management, given the Airport’s infrastructure needs into the future. Various initiatives are now being examined as a start to the process of improving the financial performance of the Airport.

NORFOLK TELECOM
Legislation
Norfolk Island Telecommunications Act 1992

Contract – Carriage of Service
Operating Agreement – Reach Global Services Limited and Norfolk Island Administration – effective until 30 April 2006.

Provision Requirements
• Provide local public switched communications and maintenance of such.
• Operation of Internet information service provision.
• Investigate and introduce new services.
• Provide external plant reticulation and maintenance of such.
• Provision of PABX systems.
- Provision of call recording equipment for accommodation houses’ PABX systems.
- Provide and maintain International Communications including:
  - International Direct Dialling
  - Operation of the Norfolk Telecom ISP (Information Service Provider) ni.net
  - International Operator Assisted Calls
  - Local and International Directory Services
  - Public Facsimile Bureau
  - Private Leased Data Services
  - International Toll Free Services
  - Emergency Communications System (Trunking System)
  - Country Direct Services

**Purpose of the Section**
- Norfolk Telecom staff are required to be multi-functional so as to perform the installation, maintenance and running of internal and external plant.
- Provide SOLAS (safety of life at sea) radio operations during marine emergencies.
- Ensure reliable operation of emergency services communications.

**Personnel**
Total of 14 staff comprising of:
- Manager Telecom
- Foreman Telecom
- Communication Officer
- Assistant Communication Officer
- Technicians x 4
- Manual Switchboard Operator
- Manual Switchboard Operator x 3 (part time for out of hours)
- Telecom Assistant x 2

**Objectives and Goals**
(a) To provide up to date communications systems within Norfolk Island and charge IDD calls at a rate that allows a $1.2 million return to the Revenue Fund.
(b) To research and implement improved communications systems, local and international facilities.
(c) To main reliable external plant system/reticulation and plan for future growth.

**Statistics as at 30 June 2003**
- 304 new services were connected compared to 252 the previous year.
- 2374 telephone services are current compared to 2211 the previous year.
- A total of 236 mobile trunking radios connected as at 30 June 2003.
- 2107 subscribers are connected to IDD facilities.
- 494 subscribers are connected to the Telecom Internet Service compared to 483 the previous year.

**Special Projects**
- Due to the referendum on the introduction of mobile GSM phones, the Norfolk Island Government did not proceed with the project.
- Networking the Nation approved a $750,000 Commonwealth funding grant to improve Norfolk Island’s communications infrastructure. These funds were allocated to the following projects:
  1. **Optic Fibre Backbone** linking the telephone exchange, Radio and Television Station, the Bicentennial Complex, the Norfolk Island Hospital, the Airport, the Mt Pitt Transmit Hut and the Reach Satellite Station at Anson Bay. This contract was awarded to NDC Australia.
  2. **New Billing System** – this contract was awarded to OTL New Zealand.
  3. **Wireless Internet** – this equipment to be installed by Norfolk Telecom and Administration IT Department.
  4. **Community Access** – copper cable to service the eastern side of Norfolk Island and relieve the congestion in this area.
- Installation of 15 PABX systems into various accommodation and business houses.
- Preparation and trenching of the ducting system ready to install the optic fibre backbone cable.

**Staff Training**
- Training in Wireless Internet
- Training in Aria PABX systems
- Training with Housley Communications – Demystifying Communications
- Attendance at the PITA AGM.

**Sources of Funding**
- Income is generated mainly from IDD telephone traffic
- Subscriber rentals
- Sale of systems and equipment
- Rental of PABX systems
- Hire of external plant equipment

**Outlook**
The 2003 year will see significant changes to the Internet and ISP services provided by Norfolk Telecom with the introduction of wireless and fixed high-speed Internet services. Norfolk Telecom shall also be installing a new billing system which will integrate Internet and telephone billing and provide a more streamlined service producing a common account to customers for these services. Investigations shall commence to ascertain the most lucrative options for carriage of international communications once the Reach Operating Agreement expires.
BROADCASTING SERVICE

The Norfolk Island Broadcasting Service provides a choice of both radio and television programs for the Norfolk Island community. These services include a domestic radio station and re-broadcast of radio and television satellite based programs from Optus C1 Satellite on an uninterrupted 24-hour daily basis.

Radio Norfolk

Radio Norfolk is a community based radio station that reflects the needs of Norfolk Island in the provision of an essential broadcasting service seven days a week. The studios are situated adjacent to the Administration Works Depot in New Cascade Road.

Radio Norfolk Broadcasts in AM (1566 khz) from a transmitter in New Cascade Road and simultaneously in FM Stereo (89.90 mhz) from a transmitter located on Mt. Pitt.

Satellite Radio Services

Satellite radio is provided via an antenna situated in New Cascade Road from signals derived from the Optus C1 Satellite. The following radio services are re-broadcast on a permanent relay basis 24 hours a day, seven days a week from antennae situated on Mt. Pitt.

• ABC Fine Music (Stereo) 93.9 mhz
• ABC NSW Regional (2CR) 95.9 mhz
• RED FM Perth WA 88.9 mhz

The following radio programs are relayed from time to time on the Radio Norfolk frequencies when the Station is unmanned:

• ABC Triple JJJ
• ABC Radio National
• ABC News Radio
• BBC News Radio

New Broadcast Studio

During the year plans were implemented to install and outfit a new studio to replace the current studio of over twenty years. The project is reaching full implementation and when “on-line” will provide state of the art facilities and the ability to provide an “un-manned” service through the use of computer technology. The existing studio will be utilised as a fully functioning production studio. Progress on the completion of this facility has been slower than planned or anticipated due to continuing resource problems that are currently being addressed.

Radio Personnel

The radio has a full time Manager and a part time Advertising Manager and currently employs 12 duty announcers (an increase from 6) to provide as full a range of programs as resources will allow, together with a team of 7 (up from 3) volunteer presenters that permits “live” radio from 7am to 6pm Monday to Friday and 7am to 2pm on weekends.

Radio Norfolk Program Changes

As a consequence of a major listener survey conducted in February, significant changes to programs and format have been gradually introduced resulting in a much improved listener base and an increase in sponsorship revenue. This has resulted in an increase in “live” broadcasting hours together with a much greater involvement through such activities as panel discussions and outside broadcasts.

Satellite Television

The following television services are re-broadcast in real time (EST) from transmitters situated on Mt. Pitt:

• ABC TV NSW Regional
• SBS TV NSW Regional
• Central 7 Townsville

Technical Changes

With the advent of the successful launch and commissioning of the Optus C1 satellite the relayed services of both radio and television are now being received with a much improved signal strength - as much as 45%. This should mean an error free signal despite inclement conditions either local or overseas which has in the past degraded local reception markedly.

The Norfolk Island Broadcasting Service has transferred all its UHF uplinked radio and television services onto the recently commissioned fibre optic cable link to Mt. Pitt. This has resulted in the signal received off the satellite being the quality of the actual transmission. Degradation through other electrical signals is now a thing of the past.

Imparja Television

The Imparja Television Service is a commercial TV Station operating out of Alice Springs in the Northern Territory. Through its charter it is able to select programs of its choice from the other commercial television services in Australia such as Channels 7, 9 and 10.

Authorisation to relay this service free to air was granted to the Norfolk Island Broadcasting Service with the approval and authorisation from Central 7. This has never previously been an option as the signal strength at Norfolk Island was not reliable enough to rebroadcast. However this situation no longer exists with the service now being available on Optus C1. Accordingly provision is made in the budget for the next financial year to purchase and install a further television transmitter to allow for the uninterrupted relay of this service 24 hours a day.

Projects

The next twelve months should see the introduction and implementation of three major objectives:

1. Completion and launching of the new broadcast radio studio facility.
2. Establishment of the uninterrupted 24-hour relay transmission of Imparja Television.
3. Outfitting a broadcast van to provide a weatherproof 24-hour outside broadcast facility almost anywhere on Norfolk Island.

NORFOLK ISLAND ELECTRICITY
Norfolk Island Electricity is responsible for the generation and reticulation of electricity throughout Norfolk Island. Norfolk Island Electricity is a Government Business Enterprise.
The Electricity Section started the year with a staff of 12 and finished with a staff of 10.
Norfolk Island Electricity conducts electrical maintenance for the Airport, Fire Service, Telstra and Norfolk Telecom, Norfolk Island Hospital, Norfolk Island Central School, Bureau of Meteorology and all other government departments funded by the Norfolk Island Government.
This financial year has been a difficult one for Norfolk Island Electricity in that there has been limited funding due to some large capital works projects and also the increase in the price of fuel. It is hoped that fuel prices will return to a more manageable level in the near future.
The following goals were achieved:
• Installation of remaining two Cummins generators
• Soundproofing of the Powerhouse is 80% completed
• Electricity substation and lines for the Waste Management Centre and Bureau of Meteorology
• Low voltage feeder lines to Kingston Pier and surrounding areas
• Conduits from the Mt Pitt turn-off to the bottom of Grassy Road for high voltage cabling
• Occupational Health and Safety issues identified during the period were addressed. In some instances plant and equipment were replaced and in other situations a change in work practice has enabled the situation to be corrected.

Maximum demand for the year:
- 1750 kilowatts
- 2500 amps
A highest kilowatt average generated per 24-hour period was on 24 February 2003 at 1096 kilowatts.

NORFOLK ISLAND FIRE SERVICE AND EMERGENCY MANAGEMENT
The Norfolk Island Fire Service and Emergency Management provide a 24-hour fire and rescue service to the community of the Island and its surrounds.
The vehicle fleet consists of 5 fire vehicles, made up of 3 Aviation Large Fire Vehicles stationed at the Norfolk Island airport Fire Station and 2 new Isuzu FTS 4 X 4 stationed at the Works Depot Fire Station for domestic purposes. One fire vehicle was purchased completely set up and the other as a cab chassis to be completed by the Works Depot staff. One vehicle is now operational whilst the other is yet to be completed. Both stations back each other up should the need arise.
There were also vehicles purchased for the replacement of the General Use Vehicle (Dual Cab) and the Honda Utility (“Little Flick”).

In 2002/2003
The Norfolk Island Fire Service provided:
• Response to 23 call-outs throughout the year, 8 were actual fires including private dwellings, commercial building, restaurant and grass/bushlands, 1 emergency rescue (Mount Pitt Project), on last year’s figures this is a reduction of 54%, the majority being Automatic Fire Alarm (AFA) calls. The majority of fires were buildings, where in all cases a fire alarm system may have avoided the amount of damage.
• From 1 May 2003 A Category Five (5) Aviation Rescue and Firefighting Service (ARFFS) was provided to all Commercial Air Transport (CAT) flights to and from Norfolk Island. Norfolk Jet Express requested the coverage from 9 April 2003. This has been a 10-year cycle, where provision to all flights ceased in December 1993 (NIG decision) and now it is mandatory in accordance with Civil Aviation Safety Regulations.

Note: The International Civil Aviation Organisation (ICAO) allows countries a built-in ‘remission factor’ in their ARFFS categorisation. Should the type of aircraft operating (Boeing 737 – Category 6) not have the required amount of movement, the aircraft is allowed to operate with a reduced ARFFS category. Norfolk Island ARFFS is allowed to operate at Category 5.
This year the Service purchased:
• Vehicles – 2 x domestic fire vehicles (1 yet to be completed), 2 x general use vehicles (second hand from the Japanese market)
The average age of the Aviation Fire Vehicles is in excess of 35 years old. Negotiations have commenced on an administrative level with the Chief Fire Officer (CFO) in charge of Air Services Australia (AA) for the replacement of the ARFFS Vehicles. The vehicles requested by the Norfolk Island Fire Service are the Large Fire Vehicles 4000 (LFV 4000) converted from the Rapid Intervention Vehicle 2000 (RIV 2000s) several years ago. Two will be required to maintain category. To date there has been no confirmation that our request will be fulfilled. Should the NIFS have to purchase a new Aviation Vehicle, the price tag could be as high as $800K - $1M.
Fire Service personnel were involved with the following projects:

- External staff training
- OH&S
- Continuing compliance of emergency provisions for tourist accommodation
- On-going extinguisher maintenance and fire surveys carried out for some 60 premises and businesses
- Airport Table Top Emergency Exercise & Writing Plan
- Focus 2002 Report
- Upgrading the fire alarm system in the KAVHA area
- Establishing fire fighter positions in accordance with spread of hours
- Staff relief for Airport Management

Relevant legislation pertaining to the operation of the Norfolk Island Fire Service:

- Civil Aviation Safety Regulations (CASR 139h)
- Fire Control Act 2000
- Disaster and Emergency Management Act 2001
- Tourist Accommodation Act 1984
INDEPENDENT AUDIT REPORT
FROM THE NORFOLK ISLAND GOVERNMENT AUDITOR

Scope
The financial statements of The Administration of Norfolk Island comprise the Revenue Fund, the Administrative Services Fund (Government Business Enterprises), Trust Fund and Loan Fund and certificates given by the Minister and the Territory Accountant, for the year ended 30 June 2003.

The Administration’s Responsibility
The Administration is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach
An independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements pursuant to the Norfolk Island Act 1979.

Audit procedures included:
- Examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial statements
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates
- Obtaining written confirmation for material representations made in conjunction with the audit, and
- Reviewing the overall presentation of information in the financial statements.

Independence
The Financial Administration and Audit Act 1977 (Queensland) promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General can only be removed by the Queensland Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property.

Audit Opinion
I have received all the information and explanations which I have required and in my opinion:

i. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

ii. the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of The Administration of Norfolk Island for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.

L.J. Scanlan, FCPA
Auditor-General of Queensland
Queensland Audit Office - Brisbane
ADMINISTRATION OF NORFOLK ISLAND
CONSOLIDATED INCOME AND EXPENDITURE STATEMENT

YEAR ENDED 30 JUNE 2003

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>INCOME</td>
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</tr>
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<td>Revenue Fund</td>
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<td>8,373,388</td>
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<td>Liquor Supply Service – Gross Profit</td>
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<td>1,489,652</td>
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<tr>
<td>Postal Services</td>
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<td>Water Assurance Fund</td>
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<td>N.I. Bicentennial Integrated Museums</td>
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<td>Workers Compensation Scheme Fund</td>
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<td>297,044</td>
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<td>N.I. Healthcare Fund</td>
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<td>Cascade Cliff Sale of Rock</td>
<td>491,654</td>
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<td>Offshore Finance Centre</td>
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<td>Gaming Enterprise – Norfolk Island</td>
<td>144,225</td>
<td>135,887</td>
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<td><strong>TOTAL INCOME</strong></td>
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<td><strong>22,184,119</strong></td>
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<td>EXPENDITURE</td>
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<td>Revenue Fund</td>
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<td>N.I. Bicentennial Integrated Museums</td>
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<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>19,440,903</strong></td>
<td><strong>20,630,467</strong></td>
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<td>INCOME/(EXPENDITURE) EXCESS BEFORE DEPRECIATION</td>
<td>3,810,878</td>
<td>1,553,652</td>
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<td>Less Depreciation - (Non Cash Item)</td>
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<td>2,179,375</td>
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<td><strong>INCOME/(EXPENDITURE) EXCESS</strong></td>
<td><strong>1,720,116</strong></td>
<td><strong>-625,723</strong></td>
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# ADMINISTRATION OF NORFOLK ISLAND
## CONSOLIDATED BALANCE SHEET
### YEAR ENDED 30 JUNE 2003

<table>
<thead>
<tr>
<th>Fund/Service</th>
<th>2003</th>
<th>2002</th>
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<tbody>
<tr>
<td><strong>ACCUMULATED FUNDS</strong></td>
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<td>12,409,695</td>
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<td>Liquor Supply Service</td>
<td>540,000</td>
<td>540,000</td>
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<td>6,571,957</td>
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<td>604,251</td>
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<td>N.I. Healthcare Fund</td>
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<td>318,427</td>
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<td>Cascade Cliff Sale of Rock</td>
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<td>-230,463</td>
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<td>Gaming Enterprise – Norfolk Island</td>
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<td>Offshore Finance Centre</td>
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<td><strong>BALANCE 30 JUNE</strong></td>
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<td></td>
<td>34,051,863</td>
<td>32,331,747</td>
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**REPRESENTED BY:**

**CURRENT ASSETS**

<table>
<thead>
<tr>
<th>Fund/Service</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank (Includes Bank Term Deposits)</td>
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<td>Revenue Fund</td>
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<td>2,098,779</td>
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<td><strong>CURRENT ASSETS 30 JUNE</strong></td>
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<td>9,174,430</td>
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<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Sundry Debtors (Net) (Includes Accruals, &amp; Prepayments)</strong></td>
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<tr>
<td>Revenue Fund</td>
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<td>1,012,677</td>
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<td>125,988</td>
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<td>113,263</td>
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<tr>
<td>Gaming Enterprise – Norfolk Island</td>
<td>39,816</td>
<td>57,535</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,311,886</td>
<td>3,358,494</td>
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</tbody>
</table>

| **Materials & Stock at Cost**      |       |       |
| Revenue Fund                       | 431,385 | 464,627 |
| Liquor Supply Service              | 804,408 | 707,253 |
| Postal Services                    | 22,920  | 18,933 |
| Electricity Service                | 415,381 | 362,784 |
| Norfolk Telecom                    | 257,813 | 302,689 |
| Lighterage Service                 | 65,974  | 70,212 |
| Norfolk Island Airport              | 90,876  | 104,344 |
| Water Assurance Fund               | 30,629  | 37,365 |
| K.A.V.H.A. Fund                    | 26,853  | 31,717 |
| Cascade Cliff Sale of Rock         | 5,396   | 209,760 |
| N.I. Bicentennial Integrated Museums | 7,730  | 9,411 |
| **Total**                          | 2,159,365 | 2,319,095 |

| **FIXED ASSETS (NET)** |       |       |
| (Buildings, Plant & Equipment, Furniture & Fittings etc.) |       |       |
| Revenue Fund                               | 9,759,928 | 9,992,532 |
| Liquor Supply Service                      | -     | -     |
| Postal Services                            | 2,942 | -     |
| Electricity Service                        | 3,102,629 | 2,909,361 |
| Norfolk Telecom                            | 2,203,943 | 2,040,876 |
| Lighterage Service                         | 363,141 | 387,474 |
| Norfolk Island Airport                     | 3,375,288 | 3,727,598 |
| Water Assurance Fund                       | 4,618,713 | 4,118,116 |
| K.A.V.H.A. Fund                            | -     | -     |
| N.I. Bicentennial Integrated Museums       | -     | -     |
| Workers Compensation Scheme Fund           | 4,650  | 4,460 |
| N.I. Healthcare Fund                       | 856   | 1,033 |
| **Total**                                  | 23,432,090 | 23,181,450 |

| **TOTAL ASSETS** |       |       |
|                 | 39,086,514 | 38,033,469 |
CURRENT LIABILITIES
(Sundry Creditors, Employees Entitlements)

<table>
<thead>
<tr>
<th>Description</th>
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<th>2002</th>
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<tbody>
<tr>
<td>Revenue Fund</td>
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<tr>
<td>Workers Compensation Scheme Fund</td>
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<td>6,820</td>
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<tr>
<td>N.I. Healthcare Fund</td>
<td>159,934</td>
<td>112,934</td>
</tr>
<tr>
<td>Cascade Cliff Sale of Rock</td>
<td>58,384</td>
<td>116,392</td>
</tr>
<tr>
<td>Gaming Enterprise Norfolk Island</td>
<td>77,681</td>
<td>99,914</td>
</tr>
<tr>
<td>Trust Fund</td>
<td>187,620</td>
<td>976,380</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>3,922,290</td>
<td>4,715,269</td>
</tr>
</tbody>
</table>

LONG TERM LIABILITIES
(Employee Entitlements and Loans except for Trust Fund)

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Fund</td>
<td>362,988</td>
<td>343,252</td>
</tr>
<tr>
<td>Liquor Supply Service</td>
<td>26,130</td>
<td>22,364</td>
</tr>
<tr>
<td>Postal Services</td>
<td>32,226</td>
<td>25,617</td>
</tr>
<tr>
<td>Electricity Service</td>
<td>49,126</td>
<td>38,587</td>
</tr>
<tr>
<td>Norfolk Telecom</td>
<td>32,603</td>
<td>32,151</td>
</tr>
<tr>
<td>Lighterage Service</td>
<td>26,945</td>
<td>24,223</td>
</tr>
<tr>
<td>Norfolk Island Airport</td>
<td>56,428</td>
<td>66,982</td>
</tr>
<tr>
<td>K.A.V.H.A. Fund</td>
<td>65,435</td>
<td>58,879</td>
</tr>
<tr>
<td>N.I. Bicentennial Integrated Museums</td>
<td>-</td>
<td>381</td>
</tr>
<tr>
<td>Workers Compensation Scheme Fund</td>
<td>-</td>
<td>2,550</td>
</tr>
<tr>
<td>N.I. Healthcare Fund</td>
<td>-</td>
<td>2,550</td>
</tr>
<tr>
<td>Trust Fund</td>
<td>460,480</td>
<td>368,917</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>1,112,361</td>
<td>986,453</td>
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</table>

TOTAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,034,651</td>
<td>5,701,722</td>
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</tbody>
</table>

NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34,051,863</td>
<td>32,331,747</td>
</tr>
</tbody>
</table>

NOTE
Consolidated Accounts – ‘Cascade Cliff Loan Fund’
The Loan Fund’s accounts have not been consolidated into the Consolidated Accounts of the Administration of Norfolk Island. The only loan in the Loan Fund is for the Cascade Cliff Project and it is totally funded by the Commonwealth Government. Further, the operation of the Cascade Cliff Project is controlled and managed by an independent Board. For these reasons it has been decided not to consolidate the Loan Fund into the Administration’s accounts.