



## **THE GOVERNMENT OF NORFOLK ISLAND**

### **MEDIA RELEASE**

#### **Commonwealth takeover will ruin Norfolk: Chief Minister**

The Chief Minister of Norfolk Island, Hon Geoff Gardner MLA, has denounced the unilateral decision of the Commonwealth Government to effectively remove self-government from Norfolk Island. "This decision is based on flawed economics, bad politics and blind prejudice," Mr Gardner said. "Territories Minister Jim Lloyd has shown himself to be a captive of the Canberra bureaucracy, which for many years has resented the Norfolk Island approach which has created an independent and sustainable community on different lines to those followed in mainland Australia".

Mr Gardner said that the sheer hypocrisy of the Commonwealth announcement was almost beyond belief. "The Minister talks about consultation, yet the Commonwealth has reneged on its firm commitment to consult the Norfolk Island Government, and instead has made a series of decisions to remove legislative powers and to effectively run Norfolk Island by remote control from a department in Canberra. The only consultation it is proposing is about how it will implement its heavy-handed decisions. In stark contrast with the New Zealand Government's approach to its Pacific partners, as illustrated recently in Tokelau, Australia is not proposing that Norfolk Islanders be given a chance to vote on whether they favour the Commonwealth takeover or some other option".

The Chief Minister said that the Commonwealth had totally misunderstood the situation and has misrepresented the scope of the financial challenges facing the Norfolk Island Government. "The significant factor about Norfolk Island is not that its model of governance and development is unsustainable or facing insolvency", Mr Gardner said. "The fact is that, unlike other comparable remote towns or island states, Norfolk Island has found a model that is so close to sustainable. The Island could be totally self-sufficient if the Commonwealth lifted the dead hand of the Canberra bureaucracy and stopped blocking the economic initiatives we have developed".

Mr Gardner said that over a number of years, the Commonwealth had consistently vetoed or outlawed major development proposals put forward by the Norfolk Island Government. These included the development of an offshore financial centre, operation of internet gaming and provision of online tertiary education, amongst many others. "I am sure that if the Commonwealth stopped its obstruction and freed up Norfolk Island to pursue its own economic destiny, we could be totally sustainable", Mr Gardner said. "Instead, its offer of 'help' to our community is to withdraw many aspects of self-government and impose a vast array of crippling tax measures which will destroy our major industries and threaten our cultural freedoms".

Mr Gardner highlighted the assessment of the effects of such shortsighted policies made by Federal Liberal MHR, Ms Sophie Panopoulos, in a parliamentary report published in late 2005. Under the heading of “Lessons from the Indian Ocean Territories”, Ms Panopoulos said:

*“It is a regrettable fact of history that once prosperous island states on Australia’s doorstep have become economic and social basket cases due to the removal of self-governance and total incorporation into Australia from too much interference from the Commonwealth at the expense of the Australian taxpayer”.*

The Chief Minister said that Norfolk Islanders would suffer losses of service if the Commonwealth carried out its proposal “to provide an equitable level of service delivery compared with Australian communities of a similar size”. “It is precisely this sort of mentality which has resulted in reductions or total loss of services in so much of rural and regional Australia”, Mr Gardner said. “I challenge the Minister to find a remote community of 1900 people in Australia which can offer the quality and range of services we provide for Norfolk Island”. Mr Gardner said that these included:

- A fully functional hospital operating 24 hours a day which offered emergency, surgical, maternity, dental, physiotherapy, counselling and aged care services, with an ongoing program of visits by prominent specialists;
- A high-achieving public school offering quality education from reception to Year 12;
- Over 90% of all public roads sealed and maintained;
- Numerous well-maintained parks, gardens, beaches and community recreation facilities;
- Five free-to-air television networks, a community radio station, one AM and five FM radio networks; and
- A well-patronised public library.

Mr Gardner said that the Commonwealth proposals would put these services at risk, and in the name of equity would create other undesirable outcomes. “These might include the introduction to Norfolk of some of the ‘benefits’ of the Australian model not now experienced here such as hospital waiting lists, widespread unemployment and welfare dependency”, the Chief Minister said. “We have no wish to be a basket case, but it seems that the Commonwealth has not learned from its obvious failures in other external territories and is determined to impose its discredited bureaucratic controls on Norfolk Island”.

The Chief Minister said that in response to recent reports on economic sustainability, the Norfolk Island Government had developed a package of microeconomic reform measures to stimulate development and stabilise Government revenues. These included an overall strategic plan and specific measures to deal with short-term recurrent revenue and expenditure, longer-term revenue changes to ensure balanced budgeting and a programme for asset replacement and improvement. “Our package is achievable and affordable”, Mr Gardner said. “It is ready right now for Commonwealth consideration, but it is clear that in abandoning the commitment to consult us in advance of any decisions, the Minister is not interested in how the Norfolk Island Government proposes to deal with the economic future of our Island”.

Mr Gardner said that Norfolk Island was seeking to work cooperatively with the Commonwealth to achieve a growing and sustainable economy. What was needed was some input of expertise and advice on revenue administration and the management of the government’s substantial businesses and fixed assets to maximise public utility and income.

He was hopeful that the Commonwealth would recognise the inherent weaknesses in its proposals to impose crippling taxes and limit self-determination and would instead agree to work with the Norfolk Island Government to ensure that the Island's unique culture and community, which were key features in its attraction of thousands of Australian tourists each year, remained strong.

Geoff Gardner  
**Chief Minister**

21<sup>st</sup> February 2006