

FOCUS REPORT

RECOMMENDATIONS



EXPENDITURE REDUCTIONS

Recommendation 1

That the following recommendation submitted by a member of the Focus Team be referred to Members of the Legislative Assembly for initial consideration:

- (a) Self government be progressed
- (b) The Legislative Assembly membership be reduced from nine to seven
- (c) The number of Executive Members appointed by the Legislative Assembly be no more than three
- (d) The relevant legislation which provides for the role of a Speaker to be amended to allow the Clerk to act as chairperson at Legislative Assembly meetings
- (e) The role of Deputy Speaker be discontinued and the Deputy Clerk undertake the role of chairperson if necessary
- (f) Expenditure on CPA activities cease and more appropriate involvement occur in inter-governmental activities closer to home
- (g) Relocation of executive members closer to Administration staff
- (h) Urgent development and documentation of Government Policies
- (i) Legislative Assembly extend the committee system and require participation of a non-executive member on each committee or board
- (j) More appropriate support be provided between Administration and the Executive

Recommendation 2

To ensure equity amongst community groups and organisations, and appropriate return to the Norfolk Island Government for funds provided, it is recommended that the CMG investigate and make recommendations on a standard Grants and Subsidies application process. This may include separate applications for Government Statutory Bodies and GBEs to those for community organisations or groups. The process to include:

- (a) clear application criteria including a statement of funds required to undertake specific activities and outcomes desired from those activities
- (b) reporting (preferably quarterly) on progress of outcomes
- (c) annual financial return and statement of achievement of outcomes



Recommendation 3

That the Legal Aid Committee investigate likely impacts on the Legal Aid Fund from one major claim and likely impacts on the Revenue Fund Budget for the next 1-5 years. That through the Legal Aid Committee's review of the Staniforth Report, an action plan be prepared for implementation of its recommendations

MAJOR ISSUES IMPACTING ON EXPENDITURE AND SAVINGS

Recommendation 4

That in the absence of increased revenues further investigation occur into capping salaries and wages costs as a percentage of either income or expenditure.

Recommendation 5

That an agreed format for identifying business performance indicators be developed and incorporated into business and management planning procedure.

Recommendation 6

That Management Plans be introduced by July 2003 across all Areas and GBEs that are tied in to Strategic Planning and Budget processes and incorporate key performance indicators.

Recommendation 7

That a Financial Strategy Policy be developed, adopted and legislated.

Recommendation 8

That further investigation occur by the CMG into the costs and benefits of privatising and contracting out of Government services. The results of the CMG's investigation are to be delivered to the Minister for Finance.

Recommendation 9

That the recommendation of the Social Services Review be adopted (Attachment 3).

Recommendation 10

That an organisation wide risk management analysis be conducted that includes IT issues, reviews of operating performance and management information systems. This information is to be incorporated into the Organisational Review process and work place reviews.



Recommendation 11

That as a matter of priority all IT systems be fully documented.

Recommendation 12

That the Pathways data base system or a similar system be funded for complete implementation in the current financial year.

AVOIDANCE AND FEES/CHARGES NOT CURRENTLY BEING COLLECTED

Recommendation 13

That a report identifying a break down on the areas where bad debts are occurring and the residential status of those avoiding payments be completed by the Finance Manager and CMG with suggested ideas for a Debt Recovery Policy to the Finance Minister by the end of March 2003.

Recommendation 14

That a standardised system of invoicing and receipting payments be introduced across all Revenue Fund Areas.

TREND ANALYSIS FOR FUTURE MAJOR WORK

Recommendation 15

That an assets management system be implemented.

Recommendation 16

That a sinking fund for major assets replacements be established. That Budgeting for the fund be included in the 2003/2004 Financial Year.

Recommendation 17

That recommendations on how a legislated sinking fund would work including the annual amount the fund would be increased by and options for funding be prepared by the CMG and reported back to the Minister for Finance.



NEW REVENUE

Recommendation 18

That a charge be made on local phone calls with the funds to be used solely for major expenditure items.

Recommendation 19

That the income raised from the sale of any Norfolk Island Government assets sales be used solely for funding major capital expenditure items.

Recommendation 20

That subsequent price rises to the Category 5 Fire Service provide one year's notice to Airlines

Recommendation 21

Airport landing charges be increased by July 2004.

Recommendation 22

That fees and charges at the Norfolk Island Hospital be increased. That a review of the current cost of service delivery be conducted to determine new rates.

Recommendation 23

To ensure that rates do not jump in high increments on an irregular basis, a system be established to introduce and maintain regular, small incremental increases eg: whenever an increase in RPI occurs. In addition the review conducted by the Board every two years will confirm if rates are at the true economic cost of the service and initiate increases as required.

Recommendation 24

That the suggested increases to stock charges be adopted.

Recommendation 25

That Telecom hire charges for the use of the Under Road Borer be changed to: \$200 for 3 hours minimum charge, \$65 per hour thereafter. This does not include any Bob Cat use which is additional.



Recommendation 26

That the revised Tanalith Charges be adopted.

Recommendation 27

- (a) By July 2003 Waste Management Legislation be introduced that:
- Establishes that the Norfolk Island Government will operate waste disposal systems in an environmentally sustainable and responsible way.
 - Creates a Norfolk Island Waste Corporation (NIWC) as a new Government Corporation, incorporating the current Water Assurance Scheme and solid waste management.
 - Allows NIWC to carry out income generating activities that are relevant to waste disposal and for the income to be retained by NIWC to fund its operations. This includes the export for sale of reusable and recyclable waste materials.
 - Sets targets for NIWC to become self funding and for the reduction of waste generated over a period of time eg: 10 years.
 - Establishes a Waste Officer position with responsibility for all NIWC waste operations.
- (b) Norfolk Island Waste Centre be funded for \$300,000 p.a from the Water Assurance Scheme and from a user pays type system. The Water Assurance Scheme will be expanded and contributions from households not part of the Scheme will be sought.
- (c) A Vehicle Bond be introduced of \$400 for every vehicle being brought on to the Island. \$200 of the Bond will be repayable when the vehicle is presented for disposal at NIWC. The Bond is transferable on sale of the car until the final owner presents the car for disposal and collects the refund.
- (d) A one-off period of time be identified for a \$50 payment for existing vehicles to be brought into NIWC for disposal.
- (e) That a decision be made on a Community Composting Facility option (including Windrow) by the 31st December 2002.
- (f) That capital items be purchased either from monies accumulated within NIWC or through Commonwealth Government Grants
- (g) Legislation to be introduced that places a levy on the use of plastic shopping bags on Norfolk Island. Levy funds are to be used for the sole purpose of Waste or Environmental Management.
- (h) Purchase an Eco-flex type system to enable reuse of shredded and cut old tyres in various options. Dependent on the success of the Eco-flex type



system, policies to be introduced that require Roads and Works to incorporate shredded tyres in footpath construction and other appropriate situations.

- (i) Chem Collect or a similar program be used to dispose of hazardous chemicals. Strict and severe penalties be introduced for the disposal of chemicals in other than approved ways. Strict controls be placed on the import of chemicals and a list of banned chemicals drawn up.

Recommendation 28

That an Island Wide Compulsory Superannuation be developed.

Recommendation 29

That in relation to the Use and Management of Administration owned land that:

- (a) A detailed strategic review of all Administration land holdings, including DCA Circle and Crown lands for which Administration is responsible, should be undertaken to ensure that all sites are used to the highest and best or most suitable use;
- (b) A strategic approach to the management of all Administration land holdings should be developed. Management of Administration land holdings should be centralised into one section of Administration from which use of the sites can be co-ordinated and planned as part of an overall land management strategy;
- (c) A housing policy should be developed to manage those Administration properties that have been developed for housing. Management of housing should also be centralised into one section, preferably managed as part of the overall Administration land holdings.
- (d) A policy should be developed to manage private sector proposals for commercial use of government owned lands.

Recommendation 30

That approval be given for intense investigation into new revenue options as soon as practicable.