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1. Statement from the Executive Director

Welcome to this edition of the Administration of Norfolk Island’s (ANI or Administration) ‘Budget Report’ which provides the community with an overview of how we have planned to allocate resources in 2015/16. I commenced as the Executive Director of ANI on 1 July 2015, having been a senior executive in NSW local government for many years. I look forward to working with the Chief Executive Officer, the Advisory Council and the community to transition ANI into the Norfolk Island Regional Council.

In brief, my role is:
- to be the delegate of the Minister for all operational decisions undertaken by the former Government of Norfolk Island
- to support the CEO of the Administration, the General Manager of the Norfolk Island Government Tourist Bureau (NIGTB), and the Director of the Norfolk Island Hospital Enterprise (NIHE) in meeting their responsibilities to the community
- to recommend what functions should remain in the new Regional Council
- to assist the community to understand the new structure of ANI.

The strategic priorities for 2015/16 are:
- to develop a funding model which will sustain the new Regional Council into the future
- to develop the organisational framework for the Regional Council, including the structure of business activities such as Norfolk Telecom, Norfolk Island Electricity, the Liquor Bond etc.
- to work with Administration staff to implement a revised staffing structure which will efficiently and effectively support the needs of the Regional Council
- to ensure that the organisational framework developed supports a seamless transition of federal and state type services to the Australian Government from 1 July 2016
- to organise and run the elections for the Regional Council before 30 June 2016.

Following the recent changes, the Chief Executive Officer of the Administration, the General Manager of NIGTB and the Director of NIHE now report to the position of Executive Director.

A diagram outlining the reporting structures of the entities I will assist with is:

From 1 July 2016, the Australian Government will integrate Norfolk Island with the mainland tax and social security systems, including access to Medicare and the Pharmaceutical Benefits Scheme. Immigration, customs and quarantine services will also be extended. This decision gives certainty to the Norfolk Island community and to businesses. State-type services such as health, education and policing will also be delivered by the Australian Government, potentially through arrangements with the New South Wales Government and this transition will occur progressively from 1 July 2016.

From a Norfolk Island perspective, we will no longer apply and collect the Goods and Services Tax (GST), customs duties and the health care levy from 1 July 2016.
These reforms mean that 2015/16 will be a year of significant change for the Administration, as we continue to deliver existing services to as high a standard as possible, within the existing budget, while adapting our organisation to meet the needs of the elected Norfolk Island Regional Council from 1 July 2016. In order to achieve this, our key priorities will be to review the arrangements for delivering existing local government type services, prepare strategic and operational plans to guide the future work of the Administration and the Norfolk Island Regional Council, and begin to implement reforms in accordance with these plans. Work to streamline service delivery and improve efficiency and effectiveness will begin in 2015/16, and then continue in 2016/17 under the jurisdiction of the elected Regional Council.

Prudent management of our limited resources will remain a focus. The Administration has prepared a balanced 2015/16 cash budget which provides for the continuation of existing services in their current form. However the management of the budget will need to adapt to changes that will be made to ready the Administration for business as a Regional Council from 1 July 2016.

We will need to continue to improve our service delivery in order to make us a more efficient, effective and sustainable organisation into the future. While our 2015/16 budget is balanced on a cash basis, it does not fund our depreciation expenses and this means there will be a further degradation in the value of our infrastructure and asset base. Positioning the budget to provide funding for short, medium and long term infrastructure and asset upgrades during coming years will also be a key focus area in 2015/16. This will be achieved by closely examining opportunities to increase revenue and reduce expenditure, where it is appropriate to do so. A comprehensive Service Delivery Review will commence for all local government services. In conjunction with the community of Norfolk Island we will be prioritising service delivery to match our financial and human resources. A review of the asset holdings of the Australian Government and the Administration (including Territory Authorities) will also be completed to provide a definitive position regarding asset ownership in the future. This will enable strategic capital management and upgrade plans to be prepared which will inform future budgets. As a start, $1.7m has been allocated from the Administration’s 2015/16 budget to replace ageing assets.

The budget includes $5.774 million for essential services from the Australian Government. This will allow for greater certainty regarding the provision of Australian Government funding in 2015/16. This will enable more definitive and timely decision making regarding the completion of work programmes and therefore it is expected that planned work programmes will be completed in all areas.

It is anticipated that reviews of the published 2015/16 Budget will be required during the year to accommodate the implementation of the reforms. Further information regarding changes to Budget objectives and key financial measures will also be provided to the community as part of the mid-year budget report.

I encourage any member of the community with enquiries on the budget or other matters to contact the Administration by phone on 22001 or via email at enquiries@admin.gov.nf.

There is a lot of work to do in the reform process, and I look forward to developing a strong working partnership with the community, the management and staff of the Administration of Norfolk Island and the Territory Authorities and the Australian Government throughout the next 12 months.

Peter Gesling
Executive Director
Administration of Norfolk Island
2. Overview of the Administration of Norfolk Island

The role of the Administration of Norfolk Island (ANI) is to deliver timely, efficient and effective services and good governance for the benefit of the whole community. This is to be achieved through:

- effective management of public service and Territory Authority staff
- promoting and enforcing compliance with public sector general principles and employment standards
- efficient and effective delivery of public functions to the Norfolk Island community.

ANI strongly believes in the need for improved transparency to the community regarding the allocation of its public resources and this document builds upon the information provided in the ‘2014/15 Community Update’ budget document that was released in December 2014.

To assist the community to understand how its resources are to be used in 2015/16, the budget has been divided into the functional areas of the natural environment, local economy, community and culture, infrastructure and services and local governance and finance. The following sections provide a brief outline of the roles and responsibilities of ANI business units in each functional area and their key objectives and work programmes for 2015/16.

We are not proposing to introduce a municipal rating system in 2015/16 and therefore no revenue will be collected from rates this year. A review of ANI’s revenue base will be conducted in 2015/16 to determine the most equitable way to fund service delivery in the future. This may lead to the costs of certain municipal services being funded by revenue from rates, which may in turn lead to revenue from other sources being reduced. We believe that this will provide greater transparency for the community regarding the true costs of service provision within the Regional Council’s business activities.

The following tables and graphs also provide a snapshot of resource allocation across functional areas and by expenditure type:

### Table 1: Resource allocation by functional area

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Environment</td>
<td>856,800</td>
<td>875,000</td>
</tr>
<tr>
<td>Local Economy</td>
<td>5,397,834</td>
<td>6,068,090</td>
</tr>
<tr>
<td>Community and Culture</td>
<td>6,263,550</td>
<td>6,684,900</td>
</tr>
<tr>
<td>Infrastructure and Services*</td>
<td>18,863,265</td>
<td>13,740,398</td>
</tr>
<tr>
<td>Local Governance and Finance</td>
<td>7,063,500</td>
<td>7,628,800</td>
</tr>
<tr>
<td>Australian Government Support</td>
<td>7,500,000</td>
<td>5,774,000</td>
</tr>
<tr>
<td>Municipal Rates</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Total</td>
<td>45,944,449</td>
<td>40,771,188</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Environment</td>
<td>1,840,267</td>
<td>1,737,095</td>
</tr>
<tr>
<td>Local Economy</td>
<td>4,395,980</td>
<td>4,920,559</td>
</tr>
<tr>
<td>Community and Culture</td>
<td>11,199,630</td>
<td>11,387,904</td>
</tr>
<tr>
<td>Infrastructure and Services*</td>
<td>23,791,969</td>
<td>18,459,036</td>
</tr>
<tr>
<td>Local Governance and Finance</td>
<td>9,030,498</td>
<td>8,076,419</td>
</tr>
<tr>
<td>Total</td>
<td>50,258,344</td>
<td>44,581,013</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(4,313,895)</td>
<td>(3,809,825)</td>
</tr>
<tr>
<td>Capital Funding</td>
<td>1,747,240</td>
<td>2,255,200</td>
</tr>
</tbody>
</table>

### Table 2: Resource allocation by expenditure type

<table>
<thead>
<tr>
<th>Summary by Expense Type</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>14,603,695</td>
<td>14,362,715</td>
</tr>
<tr>
<td>Recurrent Expenditure*</td>
<td>29,589,624</td>
<td>24,153,273</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,065,025</td>
<td>6,065,025</td>
</tr>
<tr>
<td>Capital</td>
<td>1,747,240</td>
<td>2,255,200</td>
</tr>
<tr>
<td>Total</td>
<td>52,005,584</td>
<td>46,836,213</td>
</tr>
</tbody>
</table>

* Major reductions in revenue and expense budgets for 2015/16 is due to Norfolk Energy’s proposed exit from fuel import operations by the end of the first quarter of 2015/16.
3. Overview of Budget Allocation by Government Service Type

The graph and table provided in this section classifies ANI’s activities on the basis of whether the revenue and expenditure would generally be regarded as relating to a federal government function, a state government function, a local government function or a business activity.

In some instances, there is doubt as to the categorisation of functions and therefore the information is for demonstration purposes only. The graph is based on the categorisation of services as outlined in Table 2. The $5.774m in deficit funding from the Australian Government has not been included in the revenue amounts.

The figures include depreciation however do not include capital expenditure.

Revenue from Goods and Services Tax (GST) has been included however this will not be collected by the Australian Government from 1 July 2016. Subsidies and grants provided by the Administration to KAVHA, NIGTB and NIHE are recognised in the budgets for these functions. For the purposes of this analysis they have been removed in order to give a more accurate view of the funding position of each area.

![Expenditure Comparison by Government Type FY 15/16](image)

Table 2: Resource allocation by government service type

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post and Philatelic</td>
<td>566,300</td>
<td>564,782</td>
</tr>
<tr>
<td>KAVHA</td>
<td>1,343,700</td>
<td>1,114,500</td>
</tr>
<tr>
<td>Customs and Immigration</td>
<td>1,653,500</td>
<td>585,473</td>
</tr>
<tr>
<td>Companies</td>
<td>66,000</td>
<td>54,396</td>
</tr>
<tr>
<td>Welfare</td>
<td>2,751,706</td>
<td>126,500</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>7,000,000</td>
<td>108,020</td>
</tr>
<tr>
<td>Totals</td>
<td>10,628,500</td>
<td>5,178,877</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital</td>
<td>2,981,200</td>
<td>5,129,783</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>3,824,305</td>
</tr>
<tr>
<td>585,473</td>
<td>888,678</td>
<td></td>
</tr>
<tr>
<td>Registry - Motor Vehicles</td>
<td>248,656</td>
<td>52,939</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>126,500</td>
<td></td>
</tr>
<tr>
<td>Emergency Services</td>
<td>70,000</td>
<td>751,893</td>
</tr>
<tr>
<td>Registry - Other</td>
<td>777,000</td>
<td>357,792</td>
</tr>
<tr>
<td>Local Governance and Finance</td>
<td>628,800</td>
<td>4,341,898</td>
</tr>
<tr>
<td>Totals</td>
<td>3,651,200</td>
<td>10,969,817</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Environment</td>
<td>875,000</td>
<td>1,737,095</td>
</tr>
<tr>
<td>Tourism</td>
<td>101,790</td>
<td>3,600,500</td>
</tr>
<tr>
<td>Museums</td>
<td>100,000</td>
<td>3,590,000</td>
</tr>
<tr>
<td>Library</td>
<td>540,000</td>
<td>5,660,345</td>
</tr>
<tr>
<td>Airpot</td>
<td>1,684,000</td>
<td>2,533,295</td>
</tr>
<tr>
<td>Public Works</td>
<td>361,500</td>
<td>3,016,636</td>
</tr>
<tr>
<td>Registry - Other</td>
<td>777,000</td>
<td>357,792</td>
</tr>
<tr>
<td>Local Governance and Finance</td>
<td>628,800</td>
<td>4,341,898</td>
</tr>
<tr>
<td>Totals</td>
<td>4,528,090</td>
<td>13,101,988</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Government Businesses</th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor Bond</td>
<td>3,590,000</td>
<td>2,872,999</td>
</tr>
<tr>
<td>Gaming</td>
<td>510,000</td>
<td>94,150</td>
</tr>
<tr>
<td>Electricity and Energy</td>
<td>4,948,898</td>
<td>5,660,345</td>
</tr>
<tr>
<td>Norfolk Telecom</td>
<td>3,600,500</td>
<td>3,016,636</td>
</tr>
<tr>
<td>Totals</td>
<td>12,689,398</td>
<td>11,830,330</td>
</tr>
</tbody>
</table>
4. **Natural Environment**

1. **Waste Management**

Revenue is generated from a levy of $32.00 per cubic metre on goods imported by sea and $0.26 per kilogram on airfreight. Revenue is budgeted at $390,000 for 2015/16.

The focus for 2015/16 will be the implementation of the Waste Management Strategic Plan 2015. A Prince Consulting has produced a plan that will be distributed for public comment and consultation in the first quarter of 2015/16.

As a first step in removing the stockpiles of materials at the Waste Management Centre, 20 pallets of crushed aluminium cans are scheduled to be shipped for recycling in August 2015. Protocols are being finalised for the safe shipment of hazardous waste such as asbestos, batteries, oils and chemicals. E-waste is also included in the list of waste streams to be addressed.

$160,000 of 2014/15 funding was provided for the shipping of asbestos and a further $200,000 is budgeted in 2015/16 to progress the Waste Management Strategic Plan 2015.

2. **Water Assurance**

Revenue is budgeted at $420,000 and is collected via a levy on users of the sewerage system. The 2015/16 focus is to improve the integrity of the sewerage system. $100,000 has been budgeted for that purpose.

3. **Health and Quarantine**

Argentine Ants continues to be the focus for 2015/16. $148,000 has been budgeted to maintain the baiting and monitoring programme.
4. Other

Cemetery, Forestry and Tanalith Plant budgets are to maintain existing services in 2015/16.

Table 4: Resource allocation to Natural Environment

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>856,800</td>
<td>875,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>606,607</td>
<td>539,095</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>858,160</td>
<td>822,501</td>
</tr>
<tr>
<td>Depreciation</td>
<td>375,500</td>
<td>375,500</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(983,467)</td>
<td>(862,095)</td>
</tr>
<tr>
<td>Capital</td>
<td>140,000</td>
<td>302,000</td>
</tr>
</tbody>
</table>

5. Local Economy

5.1 Tourism

NIGTB is a statutory authority formed under the Norfolk Island Government Tourist Bureau Act 1980, whose role includes advice to government, evaluation of tourism markets, stakeholder communication, strategic planning, promotions and marketing, industry education and the island’s Visitor Information Centre service.

NIGTB works with overseas representation, media, Air New Zealand, travel providers, government agencies, suppliers and community groups. NIGTB is currently working towards the outcomes outlined in the Norfolk Island Tourism Strategic Plan 2013-2023.

The Visitor Information Centre is open 7 days a week to service the needs of visitors to Norfolk Island. It provides Norfolk Island Tourism’s direct interface with visitors and has the key functions of providing information and advice to visitors and prospective visitors, booking tours and attractions for visitors, providing information on shopping and dining, and a small scale operation of retail sales of souvenirs and local crafts.

ANI provides NIGTB with an annual subsidy to assist with meeting the costs in providing tourism services for Norfolk Island. NIGTB has outlined the following major key outcomes for 2015/16:

Destination management:
- integration into new Norfolk Island governance structure
- support and guidance for all stakeholders through governance changes
- implementation and development of the NIGTB Special Events policy
- the review of the Norfolk Island Tourism Strategic Plan 2013-2023.

Norfolk Island tourism marketing:
- a consumer destination focused awareness campaign in the major ports of Australia
- co-operatively funded sales campaigns with distribution channels for Air New Zealand tactical sales programmes in Australia
- consistent market coverage for sales advertising in major Australian ports
- a consistent Australian public relations programme with media famils and press releases
- co-operatively funded travel agent famils from Australia
- an integrated public relations/marketing/social media brand awareness campaign
- co-operatively funded sales campaigns with distribution channels for Air New Zealand tactical sales programmes in New Zealand
- consistent market coverage for sales advertising in New Zealand
- an increased level of co-operatively funded travel agent famil from New Zealand
- the continued development of niche market product, distribution and promotions
- participation in regional roadshows
- participation in the Australian Tourism Exchange
- a process of continuous improvement to deliver internal policies and procedures outcomes in line with audit reports.

At the Visitor Information Centre:
- implementation of organisational capacity and skill development programmes
- provision of resources to the social media and online marketing strategy
- providing for consistent and impartial advice for visitors to Norfolk Island
- transitioning the Visitor Information Centre into more experiential and interpretative model
- maintaining and marketing the online and front desk booking facility for stakeholders.

Table 5: Resource allocation to Tourism

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,390,230</td>
<td>1,401,790</td>
</tr>
<tr>
<td>Salaries</td>
<td>304,493</td>
<td>316,765</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>1,080,737</td>
<td>1,060,025</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,838</td>
<td>11,838</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(6,838)</td>
<td>13,162</td>
</tr>
<tr>
<td>Capital</td>
<td>5,000</td>
<td>25,000</td>
</tr>
</tbody>
</table>
5.2 Liquor Bond

Increased visitor numbers led to Liquor Bond sales exceeding budget in 2014/15. In 2015/16 sales volume is predicted to be similar to 2014/15. Predicted revenue increases are required to maintain margins, with profits being used to support areas of the Administration which will be in deficit.

Table 6: Resource allocation to Liquor Bond

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,120,004</td>
<td>3,590,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>189,528</td>
<td>195,549</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>2,086,750</td>
<td>2,621,450</td>
</tr>
<tr>
<td>Depreciation</td>
<td>56,000</td>
<td>56,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>787,726</td>
<td>717,001</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

5.3 Post and Philatelic

The Philatelic Bureau will continue to tell the Norfolk Island story through its stamp issues. Earlier 2015 issues include “Wrecking, Recovery, Artefacts” issued on 19 March, 225 years after the wrecking of the Sirius; and “We nawa gwen forget dem” the centenary of Norfolk Islanders Landing at Gallipoli. Visit [www.stamps.gov.nf](http://www.stamps.gov.nf) to view stamp issues, first day covers and bulletins.

Post Office staff manage and send approximately 7 tonnes of mail each year and receive approximately 76 tonnes. The Post Office Manager expects that incoming mail volumes will decrease in the coming year as online shopping sites exclude the 2899 postcode from their free or cheap postage offers. Post Office retail continues to sell items available under the Australia Post banner. 2015/16 sales are projected to be $240,000, a 9% increase on 2014/15 sales.
Table 7: Resource allocation to Post and Philatelic

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>417,100</td>
<td>566,300</td>
</tr>
<tr>
<td>Salaries</td>
<td>302,664</td>
<td>233,352</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>294,600</td>
<td>321,200</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10,230</td>
<td>10,230</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(190,394)</td>
<td>1,518</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

5.4 Gaming

The role of the Norfolk Island Gaming Authority (the Authority) is to regulate and develop an on-line gaming enterprise on Norfolk Island. The Authority comprises:

- Presiding Member
- Member
- Director
- Secretary

The types of approved licences cover gaming activities such as:
- corporate Bookmaking
- marketing Affiliates
- fantasy Sports
- peer-to-peer wagering
- lottery
- tournament betting
- on-line casino
- totalisator.

The 2015/16 year is expected to see further approvals and an increased solid and diverse licence base. Licences approved last year will become operational this year and provide increased revenues. Support from a large network ensures that the Authority is healthy and vibrant.

These are exciting times for the Authority and for Norfolk Island. The Authority will be included in the process of transition as ANI becomes the new Norfolk Island Regional Council and further economic benefits will flow for this island economy. Improvements in telecommunications can only benefit this expanding Industry. Website: [www.gaming.gov.nf](http://www.gaming.gov.nf)

Table 8: Resource allocation to Gaming

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>470,000</td>
<td>510,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>4,100</td>
<td>6,500</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>55,040</td>
<td>87,650</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>410,860</td>
<td>415,850</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
6. Community and Culture

6.1 Education

Norfolk Island Central School (NICS, enrolment 283 students) provides for the educational needs of the Island’s children from kindergarten through to year 12. Norfolk Island has a long standing arrangement with the NSW Department of Education which is determined by a staffing tenure Memorandum of Understanding and the school follows the NSW Department of Education curriculum. Members of the teaching staff are appointed through a NSW Department of Education merit selection process. The community take a keen interest in education and students develop a sense of pride in their school and connect with the traditions, cultural identity and unique lifestyle of Norfolk Island. The school sets as its purpose the creation of a culture of high expectation, embraces a differentiated curriculum that caters for the needs of all students as 21st century learners and provides opportunities for our students to become active and engaged citizens within their own community and beyond.

The school actively seeks productive partnerships with local and international organisations to supplement available and recurrent financial support. A priority for 2015/16 is the consolidation of a children’s services programme that provides adequate and appropriate specialist services for children and families who require additional support. During 2014/15 a highly experienced school counsellor joined the NICS team and is in the school 12 weeks of the year supporting NICS families.

At NICS we strive to provide all students with the appropriate resources to facilitate the development of knowledge, skills and learning dispositions around information communications technology and its use, and the ability to transfer these across environments and applications. Students are provided with the opportunity to develop a set of general capabilities to equip them to become lifelong learners, able to operate with confidence in a complex, information-rich and globalised world.

From 2016/17 the Australian Government will assume responsibility for providing education services and therefore no funding will be allocated by the Administration after this financial year.
## Table 9: Resource allocation to Education

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Salaries</td>
<td>3,080,481</td>
<td>3,213,531</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>376,634</td>
<td>250,600</td>
</tr>
<tr>
<td>Depreciation</td>
<td>360,174</td>
<td>360,174</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(3,817,289)</td>
<td>(3,824,305)</td>
</tr>
<tr>
<td>Capital</td>
<td>59,240</td>
<td>-</td>
</tr>
</tbody>
</table>

### 6.2 Policing

The Norfolk Island Police Force (NIPF) was established on 14 October 1931 through the *Norfolk Island Police Act 1931*. The NIPF is the principal law enforcement agency for Norfolk Island and delivers community policing services, Australian Government law enforcement and critical incident coordination and management, including search and rescue.

The provision of police services by the AFP is established through an ‘Arrangement for the Provision of Police Services’ between the Commonwealth of Australia and the Administrator of Norfolk Island (the ‘Arrangement’). Negotiations are underway to establish a new arrangement which will establish the services to be delivered by police, the expected outcomes to be achieved, and the agreed cost for delivering those services.

Focus areas for the NIPF during 2015/16 will be:

1. **Community Awareness**

   **Domestic Violence:** We are aware that domestic violence incidents go unreported within our community each year and we encourage victims of domestic violence who do report it to assist the police by supporting the prosecution of offenders. We will endeavour to actively promote campaigns against this such as White Ribbon Day and October being National Domestic Violence Awareness Month.

2. **Road Safety**

   **Driver Education - Students:** We introduced a new school based programme this past financial year tailored to years 7 – 12. Collaborating with teachers we established a road safety programme for students aimed at their specific age group as they enter into and obtain their driver licences. Feedback from teachers, students and parents was overwhelmingly positive with general feedback showing we had presented relevant and confronting realities associated with sharing our roads and operating motor vehicles. We will endeavour to further improve and implement the programme in 2015/16.

   **Driver Education – Adults:** Recognising road safety is the responsibility of everyone within the community, we will increase our education and enforcement of road related safety and offences. Unfortunately elements of the community continue to refuse wearing their seatbelts and ignore our requests to drive to the speed limit and road conditions. With the safety of our children and other road users paramount, we intend to better advertise our road safety campaign and support this with an increase in visibility and enforcement. We will also continue to advertise our road safety message on the radio and in the newspaper.
Changes to traffic legislation: A concern within the Norfolk Island community is the possible introduction of Random Breath Testing (RBT) and changes to the blood alcohol limits. We will be providing community education on RBT and blood alcohol limits and if introduced, we will phase in a gradual enforcement approach.

3. School Safety

Cyber Safety: With increased usage of social media amongst children/young adults, we have presented cyber safety talks in the past to school students. In light of our success with recent road safety presentations and recognising an increase in cyber traffic amongst students, we intend to have greater focus on cyber safety this coming year while personalising and modernising our campaign.

Bicycle Safety: We have a bicycle and road awareness presentation for years K-2 with an emphasis on basic road rules, bicycle safety, sharing the road and practical demonstrations. This campaign continues to be popular with young students and parents.

Driver Education: As detailed in Road Safety, we will again be educating high school students on driver behaviour and the realities of operating motor vehicles. We are also discussing the feasibility of establishing a traffic school for primary aged students providing a practical introduction to traffic knowledge and road safety.

Drugs and Alcohol: We have historically introduced drugs and alcohol education with our road safety campaign. Given that there is use of both substances in our community, we are endeavouring to introduce a drugs and alcohol presentation to high school students with input from the local counsellor and hospital medical staff.

From 2016/17 the Australian Government will assume responsibility for providing policing services and therefore no funding will be allocated by the Administration after this financial year.

Table 10: Resource allocation to Policing

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>584,361</td>
<td>546,978</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>283,400</td>
<td>272,700</td>
</tr>
<tr>
<td>Depreciation</td>
<td>69,000</td>
<td>69,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(876,761)</td>
<td>(828,678)</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
6.3 Norfolk Island Hospital Enterprise

The Norfolk Island Hospital Enterprise (NIHE) provides a health care service to the Norfolk Island community. There is a twenty four bed hospital which includes twelve aged care beds, eleven acute care, one high dependency and two haemodialysis chairs.

The NIHE provides medical, nursing and ancillary health services from the Hospital including:

- primary health care provided by full time and locum General Practitioners and nursing staff
- child health and antenatal
- home and community care (aged care and disability services)
- 24 hour accident, emergency care and acute inpatient care
- medical pathology, radiography and physiotherapy
- mortuary
- pharmacy
- dental health care
- access to specialist medical care by visiting medical officers and allied health professionals
- ambulance (with St John’s volunteers)
- counselling
- health promotion and school based health care.

Similar to many other remote locations on the mainland, specialist services are not always available on Norfolk Island. The NIHE provides visits by health specialists to Norfolk Island to provide services in gastroenterology, urology, gynaecology, developmental paediatrics, endocrinology, podiatry, orthodontistry, dietetics and echocardiography. Where it is not within the capacity of NIHE to provide ongoing care to patients, transfer is arranged to an appropriate health facility, generally under the Memorandum of Understanding through the South East Sydney Local Health District in NSW.

ANI provides NIHE with an annual subsidy to assist with meeting the costs in providing health services to the Norfolk Island community. NIHE has made provision for capital expenditure in 2015/16 of $75,000 for an Oxygen Generator and $85,000 for an upgrade to the NIHE’s Servers.

In May 2015 KPMG were engaged to prepare a Health Services Plan for Norfolk Island to provide a realistic model for implementing priority health and aged care services to the Norfolk Island community in line with those currently provided to other remote communities in Australia.
### Table 11: Resource allocation to the Norfolk Island Hospital Enterprise

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income General</td>
<td>3,146,050</td>
<td>2,951,200</td>
</tr>
<tr>
<td>Dispensary Income</td>
<td>545,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Laboratory Income</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Physio Income</td>
<td>34,000</td>
<td>112,500</td>
</tr>
<tr>
<td>X-Ray Income</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Dental Income</td>
<td>72,300</td>
<td>124,500</td>
</tr>
<tr>
<td>Aged Care Income</td>
<td>508,000</td>
<td>833,000</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>4,565,350</strong></td>
<td><strong>4,881,200</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Purchases</td>
<td>434,600</td>
<td>515,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>3,023,620</td>
<td>3,097,700</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>765,830</td>
<td>848,000</td>
</tr>
<tr>
<td>Overheads</td>
<td>341,300</td>
<td>260,500</td>
</tr>
<tr>
<td>Depreciation</td>
<td>408,583</td>
<td>408,583</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>4,973,933</strong></td>
<td><strong>5,129,783</strong></td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(408,583)</td>
<td>(248,583)</td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td>160,000</td>
</tr>
</tbody>
</table>

6.4 Kingston and Arthur’s Vale Historic Area (KAVHA)

KAVHA is of outstanding significance as a convict settlement spanning the era of transportation to eastern Australia between 1788 and 1855. It is also significant as the only site in Australia to display evidence of early Polynesian settlement, and the place where the Pitcairn Island descendants of the Bounty mutineers were re-settled in 1856.

KAVHA is an Australian Government owned asset with the conservation, maintenance and development of the site currently being jointly funded by the Australian Government and ANI. Work on the site is carried out in accordance with an agreed annual programme by a team of ANI staff dedicated to the site. Strategic guidance and oversight is provided by the Commonwealth Heritage Manager located within the Office of the Administrator.

The work programme and allocation of funding is divided across the following areas:

1. Conservation and Maintenance

The 2015-16 conservation and maintenance works programme identifies 15 conservation and/or maintenance projects. These projects align with the annual inspection report provided by the heritage consultant. The annual inspection report also identifies minor maintenance issues that are encapsulated within the work programme. Of the 15 projects; seven are scheduled works, two are roofing projects, five are conservation and carpentry projects and the final project is the implementation of the asbestos abatement programme.
2. **Corporate and Strategic Services and Landscape and Stabilisation**

Corporate and strategic services includes all administrative costs such as electricity, telephones, insurance and other costs for the site, the management of commercial activities, and the costs of grant administration and professional consultancies.

Funding is also provided as part of this work programme for all works necessary to maintain the site’s significant landscape values.

3. **Research and Interpretation**

The KAVHA Research and Information Centre (KRIC) currently provide a research and site information facility that complements the activities of the Norfolk Island Museum. Significant projects for this financial year include:

- Bounty Day interpretation project
- kitchen/annexe Interpretation project
- Quality Row information booklet
- cemetery Index improvements.

Some income is generated from commercial activities at the KRIC. This is from ticket fees for entry into the KRIC, venue hire and the sale of books and merchandise and the wholesale distribution of the KAVHA DVD and Freeman and Convicts publication to various retail outlets across the island. New initiatives to support an education and interpretation focus are expected to grow the revenue opportunity within this programme area.
4. Grounds and Public Facilities

This work programme ensures that the grounds and gardens of the historic area are maintained to a high standard and routine public infrastructure maintenance around the site that supports public and visitor use and enjoyment is completed in a timely manner.

Capital projects to be completed on the site in 2015/16 are:

- 2014/15 funded works:
  - Blacksmiths and Double Boat Shed refurbishments
  - Crankmill safety upgrades
  - Soldier’s Bath safety upgrades
  - Government House access ramp
  - New Military Barracks mobility access paths
  - No.9 Quality Row safety and accessibility upgrades

- 2015/16 funded works:
  - disabled toilet access at Government House and the Royal Engineers Office (REO) Stables
  - improved mobility access at the Sirius Museum, Pier Store, Guard House, No 10 Quality Row Museum, REO and Lions Club
  - upgrades to water quality across the site
  - improvements to interpretation across the site
  - refurbishment of the Cemetery and Emily Bay retention walls
  - Kingston Pier tracks stabilisation in the vicinity of the Pier Store, Crank Mill and Settlement Guardhouse
  - building services upgrade audit for historic built structures across the KAVHA site.

Table 12: Resource allocation to the Kingston and Arthur’s Vale Historic Area

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government Funding</td>
<td>980,000</td>
<td>1,188,700</td>
</tr>
<tr>
<td>Site Activities</td>
<td>52,000</td>
<td>35,000</td>
</tr>
<tr>
<td>ANI Contribution</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>100,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>710,400</td>
<td>599,501</td>
</tr>
<tr>
<td><strong>Recurrence Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrence Expenditure</td>
<td>298,600</td>
<td>476,999</td>
</tr>
<tr>
<td>Depreciation</td>
<td>38,000</td>
<td>38,000</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>385,000</td>
<td>529,200</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government Funding*</td>
<td>375,000</td>
<td>555,700</td>
</tr>
<tr>
<td>General</td>
<td>48,000</td>
<td>11,500</td>
</tr>
</tbody>
</table>

* 2015/16 Australian Government capital funding includes a carryover of $193,350 from 2014/15
6.5 Museums

The Norfolk Island Museum (NIM) mission is 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 is protected and available for the benefit of present and future generations
- to encourage interest and study in Norfolk Island’s heritage
- to secure all Norfolk Island collections by planning for the future.

The NIM is responsible for three significant collections:

- The KAVHA Collection – Objects found during the archaeological digs in the area relating to the Polynesian Settlement and the two British Settlements. Comprising of 14,192 catalogued entries in our collection database
- The Sirius Collection – Objects from the shipwreck of the flagship of the First Fleet HMS Sirius. Comprising of 846 catalogued entries in our collection database
- The NIM Trust Collection – Objects relating to HMAV Bounty, Pitcairn Island and Norfolk Island post 1856. Comprising of 6197 catalogued entries in our collection database.

The NIM operates four museum venues and a retail and short term display venue. Museum tours operate six days per week and a Cemetery tour two days per week. The Trial of the Fifteen historical play is performed weekly. A full calendar of public programmes includes special interest presentations, group tours and educational programmes.

Additional focus areas for this year include cataloguing, conserving and housing additional collection objects into the KAVHA and NIM Trust collections, exhibition development in the Commissariat Store Museum and No.10 Quality Row, short term displays in the REO, Norfolk Language display, oral history recordings, visitor survey and stakeholder engagement to develop revenue opportunities.

Grant projects - A successful grant application to the Maritime Museums of Australia Project Support Scheme (MMAPSS) will provide for a condition assessment of the Sirius Collection. Other proposed grant projects pending successful application are to the Pacific Development and Conservation Trust Fund for the identification, documentation and research of Pitcairn Island material culture and a community heritage grant for a preservation needs assessment.

| Table 13: Resource allocation to Museums |
|-----------------|-----------------|-----------------|
| Item            | 2014/15 Budget ($) | 2015/16 Budget ($) |
| Revenue         | 206,200          | 100,000          |
| Salaries        | 281,153          | 325,299          |
| Recurrent Expenditure | 85,800          | 49,400          |
| Depreciation    | 3,000            | 3,000            |
| Surplus/(Deficit) | (163,753)        | (277,699)        |
| Capital         | 10,000           | -               |
6.6 Library

The Public Library, located off New Cascade Road, provides a comprehensive range of both fiction and non-fiction material, including a children’s section. Regular orders ensure a range of up-to-date material is available. Large print books are ordered in once or twice each year. The Norfolk Island reference section provides a wide selection of publications relating to the history of Norfolk Island.

The Library is open for 13 hours per week over 4 days. Opening hours are published in the telephone book. Annual subscription options are $20 for a basic subscription, $40 for a family, and $10 for children and short-term visitors.

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>.*</td>
<td>.*</td>
</tr>
<tr>
<td>Salaries</td>
<td>32,474</td>
<td>31,239</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>11,220</td>
<td>10,700</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(54,694)</td>
<td>(52,939)</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* Revenue relating to the Library is recorded under Local Governance and Finance in the Administration’s finance system

7. Infrastructure and Services

7.1 Electricity and Energy

Norfolk Island Electricity (NIE) is responsible for the generation and reticulation of electricity throughout Norfolk Island; electrical maintenance of all ANI assets and maintenance of all mechanical equipment used by NIE, the Airport, the Fire Service and Norfolk Energy.

The major reductions in revenue and expense budgets for 2015/16 are due to Norfolk Energy’s proposed exit from fuel import operations by the end of the first quarter of 2015/16.

Whilst no major capital work is budgeted in 2015/16, a new Elevated Work Platform (Cherry Picker) ordered in 2014/15 will arrive on island in the near future.
### Table 15: Resource allocation to Electricity and Energy

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>10,582,465</td>
<td>4,948,898</td>
</tr>
<tr>
<td>Salaries</td>
<td>495,977</td>
<td>500,125</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>9,226,470</td>
<td>4,021,220</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,139,000</td>
<td>1,139,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(278,982)</td>
<td>(711,447)</td>
</tr>
<tr>
<td>Capital</td>
<td>246,000</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 7.2 Norfolk Telecom

Norfolk Telecom provides a landline (PSTN) telephone network, 2G Mobile Network, ADSL Internet Service and wireless hotspot access points.

Overseas internet links are provided via the O3b satellite system. The current capacity of this satellite link is 50 megabits per second (mbps), increasing to 75 mbps in October 2015.

The capital budget of $60,000 is to provide new PABX systems which are rented to users. No provision for replacement of the ageing mobile or landline switches has been made in the budget at this time, as ANI are awaiting the outcomes of the GQI Consulting Pty Ltd report commissioned by the Australian Government in May 2015 to determine the most appropriate way to manage these assets in the future.

The online telephone directory is at http://www.ni.net.nf/ and a new telephone book will be issued late in 2015.

### Table 16: Resource allocation to Norfolk Telecom

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,464,000</td>
<td>3,600,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>538,458</td>
<td>547,729</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>1,569,210</td>
<td>1,901,907</td>
</tr>
<tr>
<td>Depreciation</td>
<td>567,000</td>
<td>567,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>789,332</td>
<td>583,864</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>60,000</td>
</tr>
</tbody>
</table>

#### 7.3 Airport

The Norfolk Island Airport operates under the Australian Civil Aviation Safety Authority (CASA) rules and regulations. Security aspects of the airport’s operations are carried out in accordance with Aviation Transport Security Regulations, controlled through the Office of Transport Security.

The primary focus of the airport operations is to ensure compliance with all applicable rules and regulations.

The primary source of airport revenue is the $25 per person passenger movement charge.

ANI carries an interest free loan of $11.4 million, payable to the Australian Government, relating to the previous resurfacing of the airport runway. ANI will work with the Commonwealth to develop a plan to manage this commitment over coming years.
### 7.4 Customs and Immigration

Customs and Immigration, along with Health and Quarantine, and the Norfolk Island Police Force are responsible for managing the security and integrity of Norfolk Island’s borders.

Revenue increases in 2015/16 are associated with the receipt of import duties from fuel, when the fuel import system changes at the end of the first quarter of this financial year.

Expenses have been budgeted on a business as usual basis in 2015/16, with the transfer of responsibilities to the Australian Government (Border Force) to occur on 1 July 2016.

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,622,300</td>
<td>1,684,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>279,634</td>
<td>277,395</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>273,860</td>
<td>241,900</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,014,000</td>
<td>2,014,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(945,194)</td>
<td>(849,295)</td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7.5 Public Works

Public Works is delivered across the following five programmes:

1. **Building maintenance** – This section is responsible for the repair and maintenance of all ANI owned buildings.

2. **Grounds and Public Places** – This section is responsible for the maintenance of lawns and gardens in the town centre, Bicentennial Centre, and all ANI owned grounds and public places.

3. **Mechanical** – The mechanical section is responsible for the repair and maintenance of ANI vehicles and plant.
4. **Roads** – $500,000 has been allocated for road repairs and resealing in 2015/16. Apart from ongoing patching, the focus for 2015/16 will be on the Bay Street Bridge and road, and Channers Corner.

The Australian Government commissioned a Road Strategy in April 2015. When completed, this strategy will set priorities for road infrastructure upgrades and maintenance and provide indicative costs associated with this. An implementation plan and funding model can then be developed which will deliver significant long-term improvements to Norfolk Island’s road system.

5. **Lighterage** – Revenue estimates are based on 11,000 tonne of cargo being imported in 2015/16 at the current rate of $31 per tonne. No major capital is budgeted in 2015/16, however construction of the new lighter will be completed using funds allocated in 2014/15.

### Table 19: Resource allocation to Public Works

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>332,800</td>
<td>361,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>996,490</td>
<td>1,010,342</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>997,275</td>
<td>1,023,500</td>
</tr>
<tr>
<td>Depreciation</td>
<td>278,800</td>
<td>278,800</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(1,939,765)</td>
<td>(1,951,142)</td>
</tr>
<tr>
<td>Capital</td>
<td>480,000</td>
<td>-</td>
</tr>
</tbody>
</table>
7.6 Broadcasting

The budget for broadcasting relates to the costs associated with the radio station VL2NI, which broadcasts in FM 89.9 and AM 1566, offshore television service re-broadcasting of 16 Australian TV stations, and the relay of four ABC FM radio services.

Table 20: Resource allocation to Broadcasting

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>37,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>100,382</td>
<td>92,899</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>70,960</td>
<td>62,300</td>
</tr>
<tr>
<td>Depreciation</td>
<td>31,000</td>
<td>31,000</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(165,342)</td>
<td>(146,199)</td>
</tr>
<tr>
<td>Capital</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

7.7 Other Support Services for the Community

7.7.1 Registry

The Registry Office deals with a wide range of administrative and statutory functions, including tribunals and courts, and registration of land titles, drivers licences, births, deaths, marriages and liquor.

Revenue is derived from vehicle registrations and licences ($540,000); Land Title transfer fees ($500,000); and Absentee Landlord Levies ($180,000).

This office will also be responsible for administering potential rating related legislation. This office also coordinates the Child Welfare Officer’s administration of the Child Welfare Act 2009.

7.7.2 Companies

The Companies Office administers the Companies Act 1985, the Business Names Act 1976 and the Associations Incorporation Act 2005. Revenue of $60,000 is received from registration, renewal and transfer fees of companies, along with business name registrations and renewals.
7.7.3 Healthcare and Workers Compensation Schemes

The Norfolk Island Healthcare Scheme is a self-insured scheme that provides assistance to members through the payment of local and overseas medical expenses. Fund membership costs $300 per quarter and provides reimbursement of approved medical costs in excess of a threshold of $2,500 for couples and $2,000 for individuals. Revenue of $1.5 million from the 1,250 fund members is budgeted to meet the total costs for 2015/16.

The Workers Compensation Scheme exists under the Employment Act 1988 and Employment Regulations 1991. Employers pay a premium of $0.30 per hour worked by employees. The projected revenue of $400,000 is budgeted to meet anticipated Workers Compensation claims. The scheme is underwritten to cover major claims.

7.7.4 Emergency Services

The Norfolk Island Fire Service provides the Community Fire Service and the Aviation Rescue and Fire Fighting Service (ARFFS). The Service also provides fire detection, protection, inspection and maintenance services.
7.7.5 Welfare

Pensions and other pension related benefits continue to be provided under the *Social Services Act 1980*. Pensioners receive fortnightly payments and assistance with hospital and medical expenses, travel expenses, and subsidies for utility costs such as vehicle registration, telephone and electricity. Meals-on-wheels and homecare assistance are provided to pensioners, giving options for pensioners to remain in their homes. The total cost of providing these services is $2.75 million.

As social services will become an Australian Government function from 1 July 2016, discussions have commenced with Australian Government staff to facilitate assistance for pensioners and prospective pensioners in applying to join the Australian Government system.

Table 21: Resource allocation to Other Support Services for the Community

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,763,700</td>
<td>1,452,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>613,489</td>
<td>627,895</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>3,589,426</td>
<td>3,171,450</td>
</tr>
<tr>
<td>Depreciation</td>
<td>365,100</td>
<td>365,100</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(2,804,315)</td>
<td>(2,712,445)</td>
</tr>
<tr>
<td>Capital</td>
<td>220,000</td>
<td>-</td>
</tr>
</tbody>
</table>

8. Local Governance and Finance

This area includes all administrative and service departments of ANI. The majority of revenue is from Goods and Services Tax, which is budgeted at $7.0 million for 2015/16. Actual GST receipts for 2014/15 are predicted to exceed $7.0 million when all collections are received.

Major expenditures in the area of Local Governance and Finance are:
- $1.8 million subsidy to the Norfolk Island Hospital Enterprise
- $1.3 million subsidy to the Norfolk Island Government Tourist Bureau
- $0.3 million grant to KAVHA
- $0.5 million in Administration insurance premiums.

Capital funds have been allocated in 2015/16 for replacing unserviceable motor vehicles ($691,000) and to upgrade the ANI Financial Management Information System ($450,000).

Table 22: Resource allocation to Local Governance and Finance

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,063,500</td>
<td>7,628,800</td>
</tr>
<tr>
<td>Salaries</td>
<td>1,981,546</td>
<td>1,754,847</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>6,821,252</td>
<td>6,093,872</td>
</tr>
<tr>
<td>Depreciation</td>
<td>227,700</td>
<td>227,700</td>
</tr>
<tr>
<td>Surplus/(Deficit)</td>
<td>(1,966,998)</td>
<td>(447,619)</td>
</tr>
<tr>
<td>Capital</td>
<td>144,000</td>
<td>1,141,000</td>
</tr>
</tbody>
</table>
9. Capital

Funding of $2.255m in capital funding will be provided in 2015/16. The following projects have been funded by the Administration (please refer to the KAVHA section for details of capital funding in this area):

- replacing vehicles that are no longer serviceable ($691,000)
- acquiring easements not previously registered. These relate to critical infrastructure and acquisition will facilitate clear access for maintenance and management purposes ($302,000)
- implementing a new financial management information system within the Administration. This project will greatly improve processing efficiency, transparency and accountability within the Administration and enable better reporting to management and the community. The scope of the new system will be based on the needs of the Norfolk Island Regional Council ($450,000)
- replacing PABX systems that are no longer supported. This is required to ensure the ongoing provision of essential communication services ($60,000)
- replacing information technology equipment at the hospital. This is essential to maintain service delivery and the existing equipment is at high risk of failure ($85,000)
- acquisition of an oxygen generator at the Hospital to improve patient outcomes ($75,000).

Funding in 2015/16 has been allocated following an assessment of needs by all Administration managers. Needs were prioritised based on input from line areas and funding was allocated to areas of highest risk. The Administration will continue to mature its infrastructure and asset management planning in 2015/16 which will lead to improved processes in planning for and allocating resources in the short, medium and long term. Further information regarding these processes will be provided to the community in future budget publications.

Table 23: Resource allocation to Capital Works

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Environment</td>
<td>140,000</td>
<td>302,000</td>
</tr>
<tr>
<td>Tourism</td>
<td>5,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Education</td>
<td>59,240</td>
<td>-</td>
</tr>
<tr>
<td>NIHE</td>
<td>-</td>
<td>160,000</td>
</tr>
<tr>
<td>KAVHA</td>
<td>423,000</td>
<td>567,200</td>
</tr>
<tr>
<td>Museums</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Electricity and Energy</td>
<td>246,000</td>
<td>-</td>
</tr>
<tr>
<td>Telecom</td>
<td>-</td>
<td>60,000</td>
</tr>
<tr>
<td>Customs and Immigration</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>480,000</td>
<td>-</td>
</tr>
<tr>
<td>Other Support Services for the Community</td>
<td>220,000</td>
<td>-</td>
</tr>
<tr>
<td>Local Governance and Finance</td>
<td>144,000</td>
<td>1,141,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,747,240</td>
<td>2,255,200</td>
</tr>
</tbody>
</table>
10. Linkages to the Australian Government

The Australian Government has allocated $17.8 million in 2015/16 across the following areas:

- The Office of the Administrator. Funding has been increased in 2015/16 to provide additional resources to assist in managing the reform process and to meet the costs associated with the engagement of the Administration’s Executive Director.
- Maintenance and preservation of the KAVHA site. Funding is provided for costs associated with the Commonwealth Heritage Manager and preservation and conservation of the KAVHA site (refer to the KAVHA section for further details).
- Services to Norfolk Island. This includes deficit funding provided to the Administration, costs associated with underwriting the air service, fees paid to the Australian National Audit Office to complete the audit of the Administration’s financial statements and costs associated with the Norfolk Island Advisory Council and the Commonwealth Financial Officer.
- Direct capital funding. $2.0 million in capital funding has been provided to upgrade or purchase new Australian Government owned assets and/or infrastructure. This will include the construction of a footpath from Channers Corner to the Burnt Pine village (costs are to be determined). Other projects will be identified in coming months.
- $555,700 in Administered Capital Budget (ACB) funding has been provided to upgrade or purchase new assets for the KAVHA site (refer to the KAVHA section for further details regarding the work programme for the site). This funding is allocated from a broader capital budget and Norfolk Island’s capital needs are assessed each year against the priorities of all Commonwealth Territories.
- The Cascade Jetty will be upgraded during 2015/16 and 2016/17. $3.0 million will be provided for this project in 2015/16 and a further $10.0 million will be provided in 2016/17. Further information regarding this project can be found at http://regional.gov.au/territories/norfolk_island/community_updates/cascade_pier.aspx.
- The purchase and installation of a high temperature incinerator. The completion of this project will be dependent on the finalisation of the Norfolk Island Waste Management Strategy (due in the first quarter of 2015/16) and whether this strategy will identify a role for a high temperature incinerator.

In addition, departmental funding has been allocated to support the Australian Government Information Centre in the Burnt Pine village. One permanent staff member will be available at the centre in 2015/16, with periodic visits from officials from the Department of Human Services, Australian Taxation Office, Department of Immigration and Border Protection and Department of Agriculture. Members of the community can attend the centre during opening hours and utilise the tools available to obtain the information needed to prepare themselves for the introduction of taxation and social services from 1 July 2016. Appointments can also be made with visiting officials when they are on island.

By pleasure of the Administrator, Government House open days are also held each month. A different local charity hosts each open day and funds from entry fees are collected, banked and divided evenly across the various charities at the end of each year.
The Australian Government will continue to work very closely with the Administration in 2015/16 to assist it in meeting its reform objectives. The Australian Government will remain in ongoing discussions with the Executive Director regarding the future nature, scope and timing of services that will be delivered by the Regional Council and it is expected that this will be finalised in early 2015/16. This will provide the Administration with time in 2015/16 to position itself to support the needs of the Norfolk Island Regional Council from 2016/17. The Australian Government will also continue to make the legislative changes necessary to enable federal and state-type services to be delivered by the Australian Government (in some cases through arrangements with the NSW Government) and local government services to be delivered by the Norfolk Island Regional Council.

Table 24: Australian Government resource allocation

<table>
<thead>
<tr>
<th>Item</th>
<th>2014/15 Budget ($)</th>
<th>2015/16 Budget ($)</th>
<th>2016/17 Budget ($)</th>
<th>2017/18 Budget ($)</th>
<th>2018/19 Budget ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth Administration</td>
<td>631,000</td>
<td>1,331,000</td>
<td>1,367,000</td>
<td>1,066,000</td>
<td>1,067,000</td>
</tr>
<tr>
<td>KAVHA Operation Funding</td>
<td>630,000</td>
<td>633,000</td>
<td>632,000</td>
<td>632,000</td>
<td>632,000</td>
</tr>
<tr>
<td>Services to Norfolk Island</td>
<td>12,500,000</td>
<td>9,874,000</td>
<td>16,283,000</td>
<td>23,463,000</td>
<td>23,136,000</td>
</tr>
<tr>
<td>Direct Capital Funding</td>
<td>-</td>
<td>2,000,000</td>
<td>2,500,000</td>
<td>4,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>ACB Funding</td>
<td>375,000</td>
<td>555,700</td>
<td>TBA**</td>
<td>TBA**</td>
<td>TBA**</td>
</tr>
<tr>
<td>Cascade Jetty*</td>
<td>-</td>
<td>3,000,000</td>
<td>10,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>High Temperature Incinerator*</td>
<td>-</td>
<td>433,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>14,136,000</td>
<td>17,826,700</td>
<td>30,782,000</td>
<td>29,161,000</td>
<td>29,835,000</td>
</tr>
</tbody>
</table>

* Funding for these projects had been provided in 2014/15 under the Community Development Grants Programme
** Funding is from a budget for all Commonwealth Territories and Norfolk Island's capital needs are assessed against other Territory priorities
Table Summary

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