



THE GOVERNMENT OF NORFOLK ISLAND

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# POLICY PAPER

Sustainable Growth Strategy  
for Norfolk Island

Date of amendment	By whom	Detail of amendment
13 June 2013	George Plant, Senior Adviser Road Map Reform Process	Policy Paper created
25 Aug 2013	Wayne Richards, Ag CEO	Amended at request of Clth to remove expectation of Clth funds in long term actions and other amendments
Oct 2013	Wayne Richards, Crown Counsel	Update to Policy to reflect new Tourism Strategic Plan and other proposed reviews (review of NI Plan)



# POLICY PAPER

## Sustainable Growth Strategy for Norfolk Island

### BACKGROUND

#### Requirement for a Growth Strategy

The March 2012 Norfolk Island Economic Development Report by ACIL-Tasman expressed the view that the previous restrictive immigration policy was a significant constraint on economic development in Norfolk Island. The Report considered that the dominant role of the tourism sector suggested that population growth would be positive for per capita income growth in Norfolk Island. The Report considered that a restrictive immigration system stifled innovation, the introduction of new businesses and new business ideas and thereby limited growth.<sup>1</sup>

In September 2012 the Norfolk Island Government issued *Policies to Improve Immigration in Norfolk Island*. The Policy was subsequently implemented by extensive amendment of the *Immigration Act 1980*. The views expressed in the Economic Development Report were expressly accepted by the Government of the day in introducing the amending legislation. Under the 2013 legislative changes most qualitative and quantitative immigration related controls regarding entry into, and settlement in, Norfolk Island by Australian and New Zealand citizens were removed.

There is a requirement to build upon the immigration changes to ensure that people are both attracted to the Island and that the growth in population is within sustainable limits. This policy paper identifies how the Norfolk Island Government is planning for growth to sustainable population levels both in the medium and long term.

The Government adopts the following statements regarding sustainable development –

“Sustainable development involves meeting the needs of the present without compromising the ability of future generations to meet their needs. This involves a balance of community liveability, environmental sustainability and economic prosperity.

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<sup>1</sup> Sections 4.3.1-4.3.3 *Norfolk Island Economic Development Report*, ACIL-Tasman, March 2012



*Economic prosperity* is a vital component of sustainability as it underpins the capacity to take the actions required to build a sustainable community. It underpins security, quality of life, the inclusiveness of society and capacity to ameliorate environmental impacts. It also funds research and development into smarter ways to achieve sustainable outcomes across the environment, communities and the economy.

*Liveable community* is one which effectively provides for and supports a high quality of life, wellbeing and health. The Norfolk Island community will achieve this by providing ready access to employment and services, ease of connecting with friends and family, and high environmental amenity.

*Environmental Sustainability* encompasses the protection of the natural and built environment; sustainable use of the Island’s natural resources; and conservation of biodiversity and our heritage. Sustainable environments are those which are resilient in the face of threats and which continue to provide value to the community over time.

The Government’s strategy and associated measures aim to maintain and improve the wellbeing of current and future generations through more effective anticipation, planning and responses to the impacts of population changes on our economy, communities and environment.

There are complex interactions between these foundations of wellbeing. Sometimes developments in one area can support positive outcomes in others, while in other instances the community will need to weigh up the relative costs and benefits. At the same time, there are other key drivers. For example, unavoidable climate change impacts will affect the choices we make about how and where we build our settlements and develop our economy. Government policies should seek to make the implications of actions transparent and ensure that the assessment of new initiatives considers the breadth of community, economic and environmental outcomes.

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Population is not the cause of, or solution to, all of Norfolk’s challenges.



Whether the community concern is congestion or lack of skilled labour, changes in the Island's total population number alone may not be the most direct, long term or effective mechanism to deal with such issues. For this reason, the objective of the government must be about getting the policy settings right to maintain and enhance the wellbeing of our population."<sup>2</sup>

Clearly the issues of Economy, Community and Environment overlap and should not be treated in isolation. As indicated above population is just one aspect of the issues facing the Island. Action commenced by the Government to promote the sustainable development of the Island include –

- Introduction of strata/community title legislation so as to remove one constraint on future development in Norfolk Island. The 2012 Economic Development Report cited the absence of strata title as an example of a constraint on business development in Norfolk Island.<sup>3</sup>The Government has prepared a Position Paper regarding the March 2012 White Paper on Strata/Community Title. Work has commenced on developing appropriate legislation;
- Review of the Norfolk Island Plan both as part of the introduction of strata/community title and as a consequence of the removal of a restrictive immigration policy.
- Finalisation in October 2013 of a Norfolk Island Tourism Strategic Plan 2013 – 2023 intended to shape and guide the reconstruction of the Island's tourism industry.

### Approach to the Population Strategy

This Policy Paper currently identifies the issues and work that will be required for sustainable future long-term population targets. It provides an insight into the issues surrounding setting a sustainable population target and mechanisms to achieve this. It does not propose a long-term sustainable target but suggests that this target is dependent upon community values and expectations. It supports an evidence-based approach to such targets and the measures required

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<sup>2</sup> These passages have been adopted with modification from “Sustainable Australia – Sustainable Communities A Sustainable Population Strategy for Australia” Chapter 2 p. 26 at <http://www.environment.gov.au/sustainability/population/index.html>

<sup>3</sup> “To the extent that Norfolk Island legislation has not developed at the same pace as legislation on the mainland, this acts as a constraint to development. A specific example of this problem that was raised during the consultation process was the lack of strata title legislation, and the way that this has constrained the development of businesses servicing elderly residents on Norfolk Island”. NI EDR, ACIL Tasman, 2012 p.78



to achieve and control them.

There are two components to the Government’s approach to the issue of population growth:-

1. A medium-term population growth capacity
2. Development of an agreed long term Sustainable population for the Island

Growth in the medium and long term

The medium-term strategy for population growth is to undertake promotion and encouragement to grow the Island’s ordinarily resident population to the levels prior to the downturn in the Island’s economic condition. The consequence of the Island’s economic downturn has been emigration from the Island to pursue economic opportunity elsewhere. This may be viewed as the unused capacity or “space” for population growth that the existing physical infrastructure and the Island environment can comfortably support.

The focus of Government policy is therefore to restore population to these levels through new or returning residents.

GROWTH IN THE MEDIUM TERM

DISCUSSION

Population Changes

Changes in Ordinarily Resident population: Set out in the table below are age group population figures extracted from the 1991,<sup>4</sup> 2001<sup>5</sup>, and 2012<sup>6</sup> Censuses from the Tables for Ordinarily Resident Population: Grouped Ages. There have been significant changes in the ordinarily resident population (i.e. persons present and living on the Island with the following immigration status – Residents, GEPs, TEPs and Commonwealth officers)

Age Group	1991				2001				2011			
	M	F	Tot	%Tot	M	F	Tot	%Tot	M	F	Tot	%Tot
5-19	187	176	363	19.0	182	173	355	17.4	165	159	324	18.1
25-50	377	384	761	39.8	389	390	779	38.2	247	304	551	30.7
65+	103	113	216	11.3	131	135	266	13.1	158	176	334	18.6
Total	953	959	1912	100	1017	1020	2037	100	858	937	1795	100

<sup>4</sup> Norfolk Island Census of Population and Housing 6 August 1991

<sup>5</sup> Norfolk Island Census of Population and Housing 7 August 2001

<sup>6</sup> Norfolk Island Census of Population and Housing 9 August 2011



In the 10 year period 2001 to 2011 total ordinarily resident population has decreased by 242 persons or approximately 12%.

In the 20 year period 1991 to 2011 total ordinarily resident population has decreased by 117 persons or approximately 6%.

At the end of February 2013 the total ordinarily resident figure had fallen by a further 45 persons to 1750 people<sup>7</sup>. Therefore since 2001 the ordinarily resident population may have fallen by as much as 290 people or 14%.

Changes in School Age Population: There have been significant changes in numbers of school age children within the ordinarily resident population (the 5-19 years age group).

In the 10 year period 2001 to 2011 this age group has decreased by 31 persons or approximately 9%.

In the 20 year period 1991 to 2011 this age group has decreased by 39 persons or approximately 11%.

Changes in Age Profile of Population: There have been significant changes in the age composition of the ordinarily resident population.

Over the 10 year period 2001 to 2011 the age group between 25 and 50 years (assuming this is the most productive age group) has decreased by 228 persons or approximately 29%.

Over the 20 year period 1991 to 2011 this age group decreased by 210 persons or approximately 28%.

Over the 10 year period 2001 to 2011 the 65 and older age group increased by 68 persons or approximately 26%.

Over the 20 year period 1991 to 2011 this age group increased by 118 persons or approximately 55%.

It is clear from this information that the population is falling on the Island. The population loss is greatest from the most productive age groups in the economy resulting in a smaller and disproportionately older population.

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<sup>7</sup> Based on Immigration data as at 28/2/13

Conclusions: The Census findings confirms earlier work<sup>8</sup> which found that the age profile of the Island is notably older than the rest of Australia with a median age of 46 on the Island compared with 37 years for the rest of Australia. Further to this, the population peak on the Island is at age 55-64 years compared with 35-44 years for the rest of Australia.

Therefore without exceeding previous population levels on the Island there is space or existing capacity for immediate growth in the population by approximately 300 people. Education facilities would not be expected to be unduly affected by such an increase.

There is also capacity to accommodate the increased population. The August 2011 Census indicates that the number of households on the Island have fallen by nearly 13% (118 households) and there were 127 vacant dwellings on the Island. Further to this the number of people per occupied dwelling has been falling from 2.5 persons per dwelling in 1986<sup>9</sup> to 2.0 persons per dwelling in 2011.<sup>10</sup> Therefore the available information indicates that the number of households on the Island is decreasing, those remaining are of smaller size and there is a considerable stock of existing housing accommodation on the Island to accommodate medium-term growth targets of the order of 300 additional ordinarily resident persons on the Island.

## ACTIONS

1. The Government's policy objective is to reverse the population loss from the Island and target a return to ordinarily resident population levels of around 2100 people over the medium three-five year period through a program of promotion and positive encouragement of settlement on the Island.
2. The Government will monitor the success of the program and publish quarterly statistics commencing from the June quarter 2013 on the number of new residents that have moved to the Island.
3. The Government will, with the Commonwealth and in accordance with Schedule 2 item 11(b) of the Funding Agreement dated 22 September 2011, conduct a review by 30 June 2014 of the economic, environmental (including land use) and social/cultural impacts of the removal or removal of previous immigration constraints.

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<sup>8</sup> *Norfolk Island Wellbeing Report*, Deloitte Access Economics, 8 April 2011 Section 2.1, p5.

<sup>9</sup> Census 1991, *op.cit*, Table N2

<sup>10</sup> Census 2011 *op.cit*, p. 33

## ATTRACTING NEW BUSINESS AND RESIDENTS TO THE ISLAND

### DISCUSSION

#### Promotion of changes

Legislative changes made by the previous Norfolk Island Government have removed immigration related constraints to population growth and local economic activity by Australians and New Zealanders. These legislative changes also include, with effect from August 2013, removal of statutory barriers to entry to investment in the Tourist Accommodation industry.

There is a commitment to on-going reform of Government Business Enterprises through divestment assessments in which further business opportunities may arise. The Government has already offered third party access agreements for alternate suppliers to provide internet services through the public infrastructure. The Government is proposing to promote these changes in order to attract business and lifestyle migrants to the Island.

The Immigration and Investment Promotion Strategy is being developed to encompass both the public service and the private sector in attracting new migrants. The plan will encompass fact sheets covering the changes to Immigration requirements and in Tourist Accommodation –with a focus on how easy it now is to come and live on the Island and to invest in our principal industry –tourism. These fact sheets will be supported with media releases from the Government Ministers to both local and off-Island media outlets. The Administration will prepare *Information packs* that will be provided to prospective investors and residents. These will be available on-line and also from Norfolk Island Government agencies (Immigration, NIGTB) and through local Legal professionals, Immigration Consultants and Real Estate Agents.

The Immigration and Investment Promotion Strategy incorporates ideas from the report *Growing our Population and Capacity* prepared by the Immigration Development Working Group (IDWG) in August 2012. In conjunction with the IDWG recommendation the Passenger Arrival Card has been changed to include a welcome statement that indicates that immigration requirements have been relaxed and directing visitors where to find further information. This will therefore be read by all incoming visitors to the Island. An immigration specific website that provides full details of how easy it is for Australian and New Zealand citizens to now live on Norfolk Island has been published and together the public service and the IDWG will compile the information for inclusion on the site.





The Immigration and Investment Promotion Strategy is being undertaken in a very tight budget environment. Promotional materials such as brochures, DVDs, Posters and paid advertising space outside of the Island would be useful but expensive promotional ideas. The Norfolk Island Government has no resources to undertake these activities at this time.

### Community Awareness Program

The Government will constantly assert the benefits to the Island from more people coming to live here. It will do this by providing this as a constant policy message to the public. It will ensure that the message is being delivered to and received by those people wishing to come and live here when approaching the Immigration office. It will ensure the monitoring arrangements proposed in the *Policies to Improve Immigration in Norfolk Island* published in September 2012 are implemented.

### ACTIONS

1. The Government will develop, implement and refine the Immigration and Investment Promotion Strategy and continue to work with the private sector to promote the opportunities for both business and lifestyle migration to the Island.
2. The Government will continue to promote the local benefits from more people coming to live on the Island through local media releases and radio discussion.
3. The Government will monitor the success of the Immigration and Investment Promotion Strategy in attracting enquiries from interested investors through the establishment of the monitoring arrangements proposed under the *Policies to Improve Immigration in Norfolk Island* published in September 2012.
4. The Government will continue to negotiate with the Commonwealth regarding the implementation of the significant reforms specified in the Norfolk Island Roadmap of 2 March 2011 on matters such as Governance, Economic Development, Public Sector Management, Immigration, Health Welfare and Education, Taxation, Environment and Extension of Commonwealth Laws to Norfolk Island.

### GROWTH IN THE LONG TERM

### DISCUSSION

### Community Values and Expectations

The well-being of the Norfolk Island Community is not based entirely on economic growth and the Island's population in the long term needs to consider the range of other intangible factors. This is common to any discussion on population levels.<sup>11</sup> Some people on the Island see the increase in the Island's population to be at the expense of these intangible factors. The Government is in favour of a balanced population growth for the Island that takes into account community values and expectations and addresses community social, economic and environmental objectives –the triple bottom line.<sup>12</sup>

### Population Targets

The issues surrounding population and sustainability on the Island have been identified in *Population and Planning on Norfolk Island –Report No.2 Population and Sustainability issues*<sup>13</sup> and indicate that population growth in some areas there will negligible impact or that there is existing capacity. The report also concluded that a small increase in the Island's population will not affect the Island's sustainability and this conclusion is consistent with the Government's medium term growth strategy. The report does not however propose a long-term population target.

Population targets risk being arbitrary unless they are scientifically based upon environmental impact, affluence and the type of technology available.<sup>14</sup> The Government has not established a long-term population target for the Island and is not in a position to do so. In the Norfolk Island context this body of scientific evidence has not been compiled, similarly whilst the issues surrounding population have previously been identified there has been no serious community discussion regarding the other intangible aspects of wellbeing. Information about these elements needs to be obtained as part of a wide ranging consultation in which the community's reasonable social and economic

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<sup>11</sup> In the report from the *Productivity and Prosperity Advisory Panel*, (December 2010), intangibles such as access to quality health care, high standards of education, fair treatment under the law, genuine participation in the political system, access to leisure and cultural experiences and the natural environment are all important elements of well-being.

<sup>12</sup> Page 12, *op.cit.* Productivity and Prosperity Advisory Panel.

<sup>13</sup> Page 21. *Population and Planning on Norfolk Island –Report No.2 Population and Sustainability issues*, Allan McNeil, 29 August 2011

<sup>14</sup> Page 3. *Submission in response to issues paper "A sustainable population for Australia"*, Sustainable Population Australia, 1<sup>st</sup> March 2011



expectations can be related to scientifically based evidence to guide the desired economic, environmental outcomes and the resources to achieve them.

For this reason this Strategy has set a medium-term population objective to return the Island's ordinarily resident population to around the levels existing in 2001. Up to this level the Government is confident that the Island's existing social and environmental character can be assured. Even at a net increase in population of around 60 people per year this will provide a five year window within which the evidence can be gained to support a long term population target.

### Using Planning to Control Population

The Roadmap recognises the linkage between planning economic development and immigration.<sup>15</sup> In moving towards easier migration to the Island it is recognized that considerable investigation is required to establish the evidence base on which long term population targets can be based. The development of a land use plan and town planning strategy was proposed to be undertaken by both Governments in the 2011/12 year. Specifically this envisaged undertaking the background scientific assessments<sup>16</sup> of the Island's sustainable "carrying capacity" in terms of land use capability for agriculture, water supply and ecological considerations. The assessment would also consider technology implications and provide a basis on which the community discussion of environmental, social and economic sustainability could be considered for different population levels.

A local review of the Norfolk Island Plan<sup>17</sup> suggests that the existing plan, if all land was fully subdivided and then built upon to the maximum extent could potentially allow for a resident population of between 10,400 and 10,900 people. Whilst this level of development is unlikely the report does indicate that the existing planning arrangements allow for a very significant increase in the Island's ordinarily resident population.

The existing Norfolk Island Plan therefore was not developed based on a scientific assessment of the availability of natural resources, ecological assessments, economic issues associated with the costs of supplying

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<sup>15</sup> See 2(h) and 4(f) of the *Norfolk Island Roadmap*, 2 March 2011

<sup>16</sup> See item 2.6 \$800,000 *Roadmap Infrastructure Indicative Cost (2011/-2015/16)*, Public Meeting July 2011

<sup>17</sup> *Population and Planning on Norfolk Island –Report No.1 Overview of the Norfolk Island Plan*, Allan McNeil, 3 May 2011



infrastructure or technology. The result of this is that rationale behind what development can occur on the Island is not always supported by rational assessment. The more recent analysis confirms that the plan needs to be reviewed if it is to play the role envisaged of it in guiding growth consistent with a long term population strategy.

## ACTIONS

1. The Government will commence examination of funding options to undertake the following scientific work as background evidence for discussion of long term population targets:-
  - a. Assessment of the land-use capability of the Island examining land forms, their environmental suitability and the extent that existing use is consistent with environmental sustainability
  - b. Assessment of hydrology, examining the Island's surface and groundwater resources and the existing use and sustainability
  - c. Assessment of the Island's ecosystem and biodiversity and the requirements for ecological sustainability
  - d. Assessment of technologies and systems that have applicability on Norfolk Island that could be considered to redress existing unsustainable practices in land use, hydrology or biodiversity management.
2. The Government will use the scientific evidence obtained from Action 1 to engage the community in discussion on a long term population target based on the scientific evidence and the economic/ social expectations of the community.
3. The Government will have a review of the Norfolk Island Plan undertaken to bring in a system of planning controls that reflects the long term population target and community economic and social expectations.