

ATTACHMENT D

COMPILATION OF THE FISCUS AND COMPARATIVE DATA SUMMARIES

1. This attachment supports Chapter 5 by:
 - explaining how the Commission has used the Norfolk Island Accounts to understand the Government's fiscal position;
 - describing how the Norfolk Island fiscus, or public account, has been compiled; and
 - explaining how the transactions in the fiscus have been classified so that comparisons can be made with other public sectors.

It also includes the supporting details for many of the tables and figures throughout the report.

2. The attachment first outlines the general methods used to analyse the data and then describes more specifically the work undertaken. It presents the supporting tables.

METHODS

3. The data available in a range of sources were analysed and adjusted as necessary to make them useful for each of the purposes referred to above.

Sources of Data

4. To compile the Norfolk Island fiscus, the Commission used:
 - the Norfolk Island Government Financial Statements, 1993-94 to 1995-96;
 - the Norfolk Island Hospital Accounts, 1993-94 to 1995-96;
 - the Tourist Bureau Accounts, 1994-95 and 1995-96;

- summarised (Norfolk Island Government) Consolidated Income and Expenditure Statements for the Period 1986-87 to 1995-96, November 1996;
- Territories Office Program Budget Papers, 1993-94 to 1995-96;
- Inquiry Submissions (see Attachment C);
- Territories Office 1996 Survey Data from:
 - Department of Administrative Services;
 - Attorney General's Department;
 - Australian Federal Police;
 - Department of Communication and the Arts;
 - Telstra;
 - Department of Defence;
 - Department of the Environment, Sport and the Territories (DEST);
 - Department of Education, Employment, Training and Youth Affairs;
 - Department of Foreign Affairs and Trade;
 - Department of Health and Family Services;
 - Department of Immigration and Multicultural Affairs;
 - Department of Primary Industries and Energy;
 - Department of Prime Minister and Cabinet;
 - Department of Social Security;
 - Airservices Australia;
 - IPS Radio and Space Services;
 - Department of Veterans' Affairs;
 - Bureau of Meteorology;
 - Australian Tax Office;

5. To provide comparative information, the Commission used its own standard budget data for the States, ABS Government Finance Statistics (GFS) and Commonwealth Budget documents.

Years of the Analysis

6. The analysis covered the years 1993-94, 1994-95 and 1995-96.

Classification System

7. In the Commission's database, each transaction was classified:
- as recurrent or capital;
 - by the government making the transaction, either the Norfolk Island Government or the Commonwealth;

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- by the government responsible for providing the function (providing the service or raising the revenue), either the Norfolk Island Government or the Commonwealth;
- by the level of government usually responsible for the function, either Commonwealth or State; and
- to a standard functional classification.

8. The standard functional classification adopted was the Commission's standard budget classification for State type services, expanded to cover Commonwealth type and local government services for functions relevant to Norfolk Island.

Accounting Basis

9. The fiscus has been compiled on a cash basis to ensure that transactions of the Island Government and Commonwealth Governments are reported in a consistent way. Non-cash transactions in the Norfolk Island Financial Statements, such as depreciation, were excluded. However, where information on non-cash transactions was required in a table reporting the Norfolk Island Government fiscal position, this was included. Unused provisions have been recorded in the year in which the expenditure was made.

Interfund Transfers

10. Interfund transfers take place between the Norfolk Island Revenue Fund and the GBEs and statutory bodies. These transfers were treated differently in the various presentations of the data, depending on whether related transactions were also included, and whether an overstatement of consolidated expenditure or revenue would occur by their inclusion. Details of the different treatments of these transfers are explained below. Transfers include:

- payments of management fees made from GBEs to the Revenue Fund for the provision of administrative services;
- payments of interest by GBEs made, at a nominal 13 per cent, on capital lent by the Revenue Fund;
- repayment of some capital;
- payments of rental made by GBEs on properties owned by the Revenue Fund;
- payments of dividends made by GBEs to the Revenue Fund;
- subsidies provided from the Revenue Fund to some GBEs; and,
- subsidies provided from the Revenue Fund to the Hospital and Tourist Bureau.

NORFOLK ISLAND GOVERNMENT REVENUES AND RECURRENT EXPENDITURES

11. Table 5-1 presents the Norfolk Island Administration's Consolidated Statements. It is a consolidation of the Revenue Fund and the Administrative Services Fund of the Norfolk Island Administration's accounts. All interfund transfers have been excluded, except the subsidy to KAVHA. The subsidy to the Hospital and the Tourist Bureau are included as expenditures since these bodies maintain separate accounting systems. Their revenues and expenditures are not included. Table D-1 shows the adjustments made by the Norfolk Island Administration to the Revenue Fund figures to obtain the figures in the consolidated statements.

12. The detailed revenues and recurrent expenditures of the Norfolk Island Administration are presented in:

- Table D-2, which shows the revenues and expenditures as they are presented in the income and expenditure statements for the Revenue Fund; and
- Table D-3, which shows summary financial statements for the GBEs as presented in the GBE income and expenditure statements.

13. These tables support the analysis of Norfolk Island's revenue and expenditure patterns set out in Chapter 5. The GBE revenue and expenditure figures in Table D-3 are those shown in the Norfolk Island consolidated statements, before transfers. Transfers between the GBE accounts and the Revenue Fund are also shown.

14. These tables allow the interfund transfers and subsidies, and their effect on the trading positions of the GBEs and Revenue Fund to be analysed. They also show the finances of the Norfolk Island Administration and provide data for the analysis of economic capacity discussed in Chapter 4.

15. Tables D-4 and D-5 present the accounts of the Hospital Enterprise and the Tourist Bureau. Consistently with the treatment of the GBEs, subsidies from the Norfolk Island Government have been excluded on the revenue side, and change in stock has been included on the expenditure side.

Table D-1 REVENUE FUND RECONCILIATION TO NORFOLK ISLAND CONSOLIDATED STATEMENTS

	1993-94	1994-95	1995-96
	\$'000	\$'000	\$'000
Revenue and Expenditure Statement - Revenue	7 107	8 253	9 324
<i>Less Excluded Transfers</i>	2 142	2 541	3 126
NI Consolidated Revenue Fund Revenue	4 965	5 712	6 198
Revenue and Expenditure Statement - Expenditure	7 575	7 908	8 724
<i>Less Excluded Capital Transactions</i>	765	677	619
<i>Less Excluded Subsidies</i>	191	246	185
NI Consolidated Revenue Fund Expenditure	6 619	6 985	7 923

Table D-2 NORFOLK ISLAND GOVERNMENT FINANCES – REVENUE FUND

Revenues	1993-94	1994-95	1995-96
	\$	\$	\$
Taxes			
Customs Duty	2 041 093	2 343 411	2 517 768
Financial Institutions Levy	832 868	812 892	890 786
Departure Fees	569 884	702 302	731 408
Fuel Levy	167 277	299 409	301 891
Vehicle Registrations and Licences	203 543	214 417	218 784
Accommodation Levy	76 578	188 543	197 164
Conveyancing Fees	110 945	108 147	157 227
Other Taxes	240 711	259 946	261 932
Total Taxes	4 242 899	4 929 067	5 276 960
Receipts from GBEs	2 103 737	2 409 098	2 439 610
Total Interest from Investments	189 174	277 925	409 399
Charges			
Miscellaneous revenue	163 764	132 570	194 402
Norfolk Island Emergency Service	0 000	143 771	155 765
Rental - Administration Properties	116 762	124 402	123 602
Other Charges	244 339	180 996	201 669
Total Charges	524 865	581 739	675 438
Other Income			
Electricity Service - Repaid Capital	0	0	349 288
Norfolk Telecom - Repaid Capital	0	0	133 527
Total Other Income	0	0	482 815
Appropriation Former Years	46 013	54 837	39 934
Total Revenue	7 106 688	8 252 666	9 324 156

Table D-2 NORFOLK ISLAND GOVERNMENT FINANCES – REVENUE FUND
(Continued)

Expenditures	1993-94	1994-95	1995-96
	\$	\$	\$
Administration	1 614 747	1 647 991	1 865 729
Education	1 256 620	1 345 349	1 376 419
General Works	761 824	1 013 293	957 374
Welfare	704 204	690 755	749 897
Health and Quarantine	488 680	506 146	702 224
Tourism	469 063	583 616	632 911
Roads	528 227	434 470	510 045
Kingston and Arthurs Vale Historic Area	264 300	315 300	322 500
Forestry, Livestock and Noxious Weeds	528 227	234 917	290 924
Norfolk Island Legislative Assembly	401 341	408 726	289 378
Courts and Lands	122 464	109 706	284 600
Police	233 004	242 523	279 550
Norfolk Island Emergency Service	18 188	161 284	163 337
Broadcasting and Public Library Service	114 781	113 942	135 163
Tanalith Plant	63 216	75 194	86 358
Other Expenditure	6 199	24 586	77 295
Total Expenditure	7 575 09	7 907 798	8 723 704

Table D-3 THE ADMINISTRATIVE SERVICES FUND GOVERNMENT BUSINESS ENTERPRISES

Government Business Enterprise	1993-94	1994-95	1995-96
	\$	\$	\$
Liquor Supply Service			
Sales	2 145 610	2 295 580	2 518 791
Cost of Goods Sold	1 267 092	1 380 903	1 556 498
Adjusted gross profit (revenue)	878 518	914 677	962 293
Expenditure	170 520	196 563	207 405
Transfers to Revenue Fund	50 000	50 000	50 000
Net Profit	657 998	668 112	704 888
Postal Services			
Revenue	685 980	796 503	1 084 788
Expenditure	627 606	586 561	767 898
Transfers to Revenue Fund	32 000	32 000	32 000
Income Result	26 374	177 942	284 890
Electricity Service			
Revenue	1 576 280	1 644 810	1 686 089
Expenditure	1 019 112	1 108 491	1 257 189
Transfers to Revenue Fund	125 407	125 407	125 407
Income Result	431 762	410 912	303 493
Norfolk Telecom			
Income	2 376 250	2 820 530	2 813 961
Expenditure	1 008 837	1 423 576	1 400 767
Transfers to Revenue Fund	122 358	122 358	122 358
Income Result	1 245 055	1 274 596	1 290 836
Lighterage Service			
Revenue	265 899	278 065	280 518
Expenditure	178 326	208 961	209 650
Transfers to Revenue Fund	26 553	26 553	26 553
Income Result	61 020	42 551	44 315
Norfolk Island Airport			
Revenue	1 228 340	1 202 840	1 248 828
Expenditure	405 378	332 662	662 651
Transfers to Revenue Fund	107 600	202 273	216 300
Income Result	715 362	667 905	369 877
Water Assurance Fund			
Revenue	207 071	215 548	220 378
Expenditure	69 363	50 516	76 690
Transfers to Revenue Fund	10 000	10 000	10 000
Income Result	127 708	155 032	133 688

Table D-3 THE ADMINISTRATIVE SERVICES FUND GOVERNMENT BUSINESS ENTERPRISES (Continued)

Government Business Enterprise	1993-94	1994-95	1995-96
KAVHA Fund			
Revenue	568 139	610 300	656 690
Expenditure	581 138	628 350	569 417
Income Result	-12 999	-18 050	87 273
Bicentennial Integrated Museums			
Revenue	98 910	115 635	135 595
Expenditure	170 360	188 736	190 793
Transfers from Revenue Fund	71 800	96 000	75 000
Income Result	-350	22 899	19 802
Workers Compensation Fund			
Revenue	323 004	295 372	316 874
Expenditure	195 314	238 969	269 007
Transfers to Revenue Fund	20 000	10 000	10 000
Income Result	107 690	46 403	37 867
Norfolk Island Healthcare Fund			
Revenue	323 004	317 313	338 005
Expenditure	381 768	519 064	449 968
Transfers from Revenue Fund	119 400	150 000	110 000
Transfers to Revenue Fund	10 000	10 000	10 000
Income Result	50 636	-61 751	-11 963

Table D-4 **NORFOLK ISLAND HOSPITAL ACCOUNTS**

	1993-94	1994-95	1995-96
	\$'000	\$'000	\$'000
Revenue			
Hospital	993	940	886
Dispensary	289	310	346
X-Ray	31	32	29
Laboratory	58	72	79
Dental Clinic	114	129	153
Physiotherapy	0	10	10
District Nursing Service	0	6	6
Mawson Units	0	10	10
Total Revenue	1 486	1 509	1 519
Expenditure			
Hospital	1 115	1 270	1 314
Dispensary	199	204	221
X-Ray	23	28	23
Laboratory	72	77	86
Dental Clinic	121	153	159
Physiotherapy	0	17	28
District Nursing Service	0	5	7
Mawson Units	0	7	10
Total Expenditure	1 529	1 763	1 851
Deficit	-43	-254	-333
Subsidy from Revenue Fund	289	264	505
Surplus/Deficit after subsidy	246	10	171

Table D-5 NORFOLK ISLAND TOURIST BUREAU ACCOUNTS

	1994-95	1995-96
	\$'000	\$'000
Revenue		
Sales	40	47
Advertising fees	47	26
Commission - Departure Fees	37	40
Commission – Other	17	19
Sundry	0	1
Interest Received	1	1
Total Revenue	142	133
Expenditure		
Purchases	30	38
Less Change in stock	-7	-8
Customs Duty	1	1
Operational Expenses	423	483
Wages and Salaries	232	260
Total Expenditure	678	774
Deficit	-537	-641
Subsidy from Revenue Fund	553	605
Surplus/Deficit after subsidy	16	-36

NORFOLK ISLAND GOVERNMENT CAPITAL EXPENDITURES

16. Table D-6 presents the capital expenditures by the Norfolk Island Government for the period 1986-87 to 1995-96. It is taken from the Consolidated Income and Expenditure Statements, published by the Norfolk Island Government in November 1996. No capital expenditures for the Hospital or the Tourist Bureau have been included because their accounts do not show capital expenditures separately. However, the Commission is aware that substantial amounts have been spent recently by the hospital on repairing the roof, refurbishing the wards and constructing a new maternity wing. In addition, the Revenue Fund subsidy to the hospital in 1995-96 included an amount of \$150 000 for capital expenditure.

Table D-6 CAPITAL EXPENDITURE BY NORFOLK ISLAND GOVERNMENT
1986-87 TO 1995-96

Service	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94	94-95	95-96	Ave
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue Fund	1 382	571	508	588	424	684	346	565	677	616	636
Liquor bond	3	43	25	9	6	7	1	1	1	5	10
Postal service	5	6	99	9	1	2	2	6	7	66	20
Electricity	846	69	69	621	44	8	190	235	223	452	276
Telecom	193	193	165	319	239	323	1 436	95	300	223	349
Lighterage	88	27	2	1	21	1	1	1	44	32	22
Airport					33	34	49	155	105	13	39
Water Assurance.						183	5	89	24	10	32
KAVHA							14			10	2
Museums				4	7	11	6	14	17	8	7
Compensation						3		2	1	1	1
Healthcare									1	1	0
Total	2 517	909	868	1 551	775	1 256	2 050	1 163	1 400	1 437	1 393

COMPILING THE FISCUS

17. The fiscus covers revenues and expenditures, both capital and recurrent, of the Commonwealth and Norfolk Island Governments. Capital expenditure undertaken by the Commonwealth on the police station in the period 1993-94 to 1995-96 is discussed in Chapter 5. No adjustment to the Norfolk Island Administration data on capital expenditures was required. The recurrent public accounts cover:

- the recurrent financial position of the Norfolk Island Government, as represented through the statements of the Revenue Fund, the GBEs, the Hospital and the Tourist Bureau;
- the recurrent financial involvement of the Commonwealth through its expenditures and revenues on the Island and their effect on the Norfolk Island finances and economy; and
- the recurrent financial involvement of the Commonwealth in the overall provision of services for and revenue raising from Norfolk Island.

18. To combine this information it was necessary to adjust the way the Norfolk Island data were presented and to incorporate Commonwealth revenues and expenditures.

Adjustments

19. Adjustments to the data in the Norfolk Island accounts were made:

- to consolidate the Administration's statements of accounts with those of the Hospital and the Tourist Bureau;
- to exclude capital expenditures;
- to present all figures on a cash basis; and
- maintain consistency.

20. **Revenue Fund.** Tables D-7 and D-8 show the adjustments made to Revenue Fund recurrent data.

Table D-7 REVENUE FUND REVENUE RECONCILIATION TO NORFOLK ISLAND FISCUS

	1993-94	1994-95	1995-96
	\$'000	\$'000	\$'000
Revenue and Expenditure Statement	7 107	8 253	9 324
<i>Less</i> Excluded Transfers	2 142	2 541	3 126
Norfolk Island Consolidated Revenue Fund Revenue	4 965	5 712	6 198
Fiscus Excludes Rental Transfers	57	57	
Fiscus Excludes Appropriations Former Years	46	55	40
Fiscus Revenue Fund Revenue	4 862	5 599	6 158

Table D-8 REVENUE FUND EXPENDITURE RECONCILIATION TO NORFOLK ISLAND FISCUS

	1993-94	1994-95	1995-96
	\$'000	\$'000	\$'000
Revenue and Expenditure Statement	7 575	7 908	8 724
<i>Less</i> Excluded Capital Transactions	765	677	619
<i>Less</i> Excluded Subsidies	191	246	185
Norfolk Island Consolidated Revenue Fund Expenditure	6 619	6 985	7 923
<i>Less</i> Fiscus Excludes KAVHA Subsidy	193	219	248
<i>Less</i> Fiscus Excludes Subsidies to Hospital and Tourist Bureau	289	817	1 109
<i>Less</i> Fiscus Offsets Appropriations Former Years	55	40	47
Fiscus Revenue Fund Expenditure	6 081	5 908	6 519

21. On the revenue side, the Appropriations Former Years were excluded, since these are a return of unused provisions for the previous year's expenditure. They were included as offsets to the previous year's expenditure, with the 1995-96 figure being an estimate based on a three year average.

22. The subsidies to KAVHA, the Norfolk Island Hospital and the Tourist Bureau were also excluded.

23. ***Government Business Enterprises.*** For most GBEs, the expenditure and revenue data shown in Table D-3 did not need adjustment. Table D-9 shows the adjustments made. They occur in:

- the Liquor Supply Service, where sales are treated as revenue, and cost of goods sold are treated as expenditure;
- KAVHA, where the Norfolk Island Government subsidy is excluded from the revenue as an interfund transfer, and where the Australian Government contribution appears elsewhere as Commonwealth expenditure, excluding both the revenue and expenditure from the KAVHA financial statement; and
- the Workers Compensation Fund, where provisions for wages and medical/hospital/travel claims have been excluded from the expenditure.

Table D-9 **GBEs RECONCILIATION TO NORFOLK ISLAND FISCUS**

	1993-94	1994-95	1995-96
	\$	\$	\$
Liquor Supply Service			
NI Consolidated Statement			
Sales	2 145 610	2 295 578	2 518 791
Cost of Goods Sold	1 267 092	1 380 903	1 556 498
Revenue (Adjusted gross profit)	878 518	914 675	962 293
Expenditure	170 520	196 563	207 405
Income Result	707 998	718 112	754 888
CGC Analysis			
Revenue (Sales)	2 145 610	2 295 578	2 518 790
Expenditure (Stock Accumulated, Purchases, Delivery, Stock Losses, Salaries & Sundries)	1 437 612	1 577 466	1 763 903
Income Result	707 998	718 112	754 888
KAVHA Fund			
NI Consolidated Statement			
Australian Government Contribution - NI purposes	370 000	378 000	392 000
Interest Received	5 639	12 986	17 190
N.I. Govt Contribution. To Expenses	192 500	219 300	247 500
Revenue	568 139	610 286	656 690
Expenditure	581 138	632 350	569 417
Income Result	-12 999	-22 064	87 273
CGC Analysis			
Revenue (excluding: Australian Government Contribution which appears as Commonwealth expenditure; and transfer from the Revenue Fund)	5 639	12 986	17 190
Expenditure (excluding that funded by the Australian Government Contribution)	211 138	254 350	177 417
Income Result	-205 499	-241 364	-160 227
Income Result after NI Subsidy	-12 999	-22 064	87 273
Workers Compensation Fund			
NI Consolidated Statement			
Revenue	323 004	295 372	316 874
Expenditure	195 314	238 969	269 007
Income Result	127 690	56 403	47 867
CGC Analysis			
Revenue	323 004	295 372	316 874
Expenditure (excluding Provision for Wages and Medical/hosp/travel Claims)	195 314	237 351	267 102
Income Result	127 690	58 021	49 772
Income Result Excess including provisions	127 690	56 403	47 867

24. **Statutory bodies.** The Revenue Fund subsidises the Hospital and the Tourist Bureau which operate as corporate bodies. These subsidies have been treated as interfund transfers and the revenues and expenditures of the two bodies have been included.

Tourist Bureau

25. Consistent with the treatment of GBEs, total revenue and expenditure are presented for the Tourist Bureau and the government subsidy has been excluded.

Treatment of Norfolk Island Hospital

26. Consistent with the treatment of GBEs, total revenue and expenditure are presented for each hospital account and the government subsidy and assets transfer have been excluded. In the fiscus the Healthcare Services account and the Hospital trading account have been combined under the title 'Hospital'. Bold figures are those carried over to either the Hospital's consolidated income and expenditure statement, or the presentation of the Hospital accounts at Table 5-3.

Table D-10 RECONCILIATION OF HOSPITAL ACCOUNTS TO FISCUS 1995-96

	Hospital Accounts	CGC Analysis
	\$	\$
Hospital Trading Account^(a)		
Revenue	790 212	
Expenditure	<u>824 310</u>	
Loss	34 098	
Dispensary		
Revenue - Sales	345 838	345 838
Expenditure	220 613	220 613
Profit	125 225	
X-Ray		
Revenue		
Fees	28 544	28 544
Expenditure	23 144	23 144
Profit	5 400	
Laboratory		
Revenue	78 986	78 986
Expenditure	85 891	85 891
Loss	6 905	
Dental Clinic		
Revenue	152 700	152 700
Expenditure	<u>159 376</u>	159 376
Loss	6 676	

Table D-10 RECONCILIATION OF HOSPITAL ACCOUNTS TO FISCUS 1995-96
(Continued)

	Hospital Accounts	CGC Analysis
Physiotherapy		
Revenue	10 059	10 059
Expenditure	27 505	27 505
Loss	17 446	
District Nursing Service		
Revenue - Fees	6 090	6 090
Subsidy	3 763	
Expenditure	11 128	11 128
Profit	1 275	
Mawson Units		
Revenue	10 080	10 080
Expenditure	9 818	9 818
Profit	262	
Healthcare Services (Hospital)^(a)		
Revenue		
Healthcare Services Revenue	96 189	
Fixed assets transfer	6 000	
NI Government subsidy	505 000	
Expenditure	489 370	
Total Hospital		
Hospital Revenue		790 212
Healthcare Services Revenue		96 189
Total Hospital Revenue		886 401
Hospital Expenditure		824 310
Healthcare Services Expenditure		489 370
Total Hospital Expenditure		1313 680
Total Revenue		1 518 698
Total Expenditure		1 851 155
Surplus/Deficit	170 306	-332 457

(a) In the CGC analysis the Hospital and the Healthcare Service are amalgamated under Total Hospital.

Incorporating Commonwealth Expenditure

27. Table D-11 shows how Commonwealth expenditures in relation to Norfolk Island have been treated. All Commonwealth expenditures relating to Norfolk Island have been included, and classified as being either spent on the Island, in which case they make a direct contribution to the Island economy, or as not being spent on the Island.

28. They have also been classified as either a Norfolk Island or Commonwealth responsibility. In some cases, particular functions have been allocated as being partly a Norfolk Island responsibility and partly a Commonwealth responsibility.

29. For Territories Office expenditure, the amount spent on the Island for wages and operational expenditure has been classified as a Norfolk Island responsibility, since the duties of the Administrator and seconded staff would need to be provided, regardless of Commonwealth involvement. The amount spent on the mainland, for territory programs and administration, has been classified as a Commonwealth responsibility.

30. Territories Office expenditure on KAVHA which is fully spent on the Island, has been split between Norfolk Island responsibility and Commonwealth responsibility, but the total is classified as Commonwealth expenditure.

31. Expenditure made on Norfolk Island by the Bureau of Meteorology has been treated fully as a Commonwealth responsibility, although there may be peripheral benefits to Norfolk residents.

32. The policing function on Norfolk Island has been treated as a shared responsibility. The boundaries separating Federal and local policing matters on Norfolk Island are unclear, making it difficult to separate policing costs between the Commonwealth and Norfolk Island responsibilities. The Commission has therefore accepted the agreed 70/30 split between the Norfolk Island Government and the Commonwealth, and the entire amount funded by the Australian Federal Police has been treated as a Commonwealth responsibility.

Table D-11 CLASSIFICATION OF EXPENDITURE BY THE COMMONWEALTH RELATING TO NORFOLK ISLAND

Department or Organisation	Purpose of Expenditure	Government Responsible for Service
Spent on Norfolk Island		
National Library	Grant to Bicentennial Museum	Norfolk Island
Communications & Arts	Trans Tasman Arts Festival	Norfolk Island
Emergency Management Aust.	Emergency advice, equipment, training	Norfolk Island
Health & Family Services	Benefits to persons with NI postcode	Norfolk Island
Social Security	Payment of pensions	Norfolk Island
Territories Office	Administrator's Office on NI	Norfolk Island
Territories Office	KAVHA grant. (50%)	Norfolk Island
Territories Office	KAVHA grant. (50%)	Commonwealth
Territories Office	Territory programs management	Commonwealth
Attorney General's	Federal court Chief Justice for 5 days.	Commonwealth
Australian Federal Police	Provision of policing services	Commonwealth
Telstra	Capital works, operations, maintenance	Commonwealth
Airservices Australia	Navigation aides operations	Commonwealth
IPS Radio & Space Services	Ionsonde monitoring station	Commonwealth
Dept of Veterans' Affairs	Pensioner payments	Commonwealth
Meteorology	Weather Station	Commonwealth
Environment Priorities and Coordination Group	Environmental studies	Commonwealth
Environmental Protection Group	Assessment of sand extraction	Commonwealth
Biodiversity Group	Environmental studies	Commonwealth
DEETYA	Employment and Education programs	Commonwealth
Not Spent on Norfolk Island		
Administrative Services	Administrative Matters	Commonwealth
Foreign Affairs and Trade	Documents of identity issued annually on a no fee basis	Commonwealth
Immigration & Multicultural Affairs	Application for Australian Citizenship, Declaratory Certificates, deportation costs	Commonwealth
AFMA	Management of fisheries	Commonwealth
Prime Minister & Cabinet	Administrative Matters	Commonwealth
Defence	Pro rata cost of National Defence	Commonwealth
Foreign Affairs and Trade	Pro rata cost of National Foreign Affairs and Trade programs.	Commonwealth

COMPARISONS

33. For comparison purposes, all the transactions in the recurrent fiscus relating to the provision of services for Norfolk Island and the raising of revenues from Norfolk Island, regardless of the government responsible for those transactions, were classified to functional categories. The functional categories used were those in the Commission's

standard State budget used in its relativities work, expanded to include Commonwealth and local government type functions relevant to Norfolk Island's situation. The recent High Court decision invalidating State franchise fees has not been taken into account.

34. On the mainland, government expenditures and revenues are normally the responsibility of the Commonwealth, State or local governments. On Norfolk, the Government provides services and collects revenues normally the responsibility of all three levels of government. However, for comparisons, Norfolk Island financial data have been classified according to whether the function would be normally performed the by the Commonwealth or by State governments on the mainland. For example, Customs duty collected by the Norfolk Island Government is normally a Commonwealth function on the mainland. It has been classified as a Commonwealth type function in this analysis. Education is normally a State function and has been classified as such for this exercise.

35. Table D-12 provides a complete summary of how transactions in the Norfolk Island Recurrent Public Account, including the Administration, the Hospital, the Tourist Bureau and the Commonwealth activities, have been classified. It shows how 1995-96 transactions have been classified to a functional category and whether the transaction is considered to be a Commonwealth or State type function.

36. To make the data comparable, the GBEs have been included on a net basis. Some GBEs have been allocated to more than one functional category, while others have been aggregated into one.

37. Comparative data were obtained from Commission sources, GFS and Commonwealth Budget documents. These and reclassified Norfolk data on service provision and revenues from taxing and charges were used to draw conclusions about how Norfolk levels compared with mainland standards. These comparisons are relevant to the analyses presented in Chapters 6, 7 and 8.

38. Such comparisons do not necessarily imply that one pattern is better than another. Differences can be due to many factors, including physical and geographic characteristics, population composition, concentration and dispersion, and remoteness. They can also be due to policy.

Table D-12 CLASSIFICATION OF TRANSACTIONS BY FUNCTION AND GOVERNMENT LEVEL 1995-96

	Functional Category	Function Level	1995-96
			\$'000
Commonwealth Revenue Relating to NI			
Indirect tax paid by NI visitors to mainland, ATO	Indirect Taxes	Cwealth	480
Income tax on Telstra profit, ATO	Income Tax	Cwealth	48
Personal income tax, ATO	Income Tax	Cwealth	300
Fishing licences	Offshore Fishing Licenses	Cwealth	59
Revenue Fund Revenue			
Customs Duty	Customs Duty	Cwealth	2 518
Financial Institutions Levy	Financial Transaction Taxe s	State	891
Departure Fees	Departure tax	Cwealth	731
Fuel Levy	Duty on Petroleum	State	302
Company Fees	Fees and Fines	State	47
Accommodation Levy	Other Revenue nec	State	197
Stamp Duty On Cheques	Financial Transaction Taxes	State	20
Absentee Landowners Levy	Land Revenue	State	59
Liquor Licence Fees	Liquor Licence Fees	State	55
Conveyancing Fees	Property Titles	State	157
Tattersalls Lotteries, Commission	Gambling Taxation	State	81
Vehicle Registrations and Licences	Vehicle Registration Fees and Taxes	State	219
Interest from Investments	Interest Earnings	State	409
Other Charges	Land Revenue/	State	472
Administrative Fund (GBEs) Revenue			
Liquor Supply Service	Liquor Supply Service	State	2 519
NI Postal Services	Postal Service	Cwealth	1 085
NI Electricity Service	Electricity Supply	State	1 686
NI Telecom	NI Telecom	Cwealth	2 814
NI Lighterage Service	Lighterage Service	State	281
NI Airport	Airport	State	1 249
Water Assurance Fund	Water Supply and Sewerage	State	220
KAVHA Fund	KAVHA	State	17
NI Bicentennial Integrated Museums	Recreation and Culture	State	127
Workers Compensation Fund	Payroll Taxation/	State	317
NI Healthcare Fund	Income Tax/ Healthcare Fund	Cwealth/ State	338
Statutory Bodies Revenue			
NI Hospital	Community Health Services/ Nursing Home Services/ Health	State	1 519
Tourist Bureau	Tourism	State	134

Table D-12 CLASSIFICATION OF TRANSACTIONS BY FUNCTION AND GOVERNMENT LEVEL 1995-96 (Continued)

	Functional Category	Function Level	1995-96
			\$'000
Commonwealth Expenditure			
Administration, Territories Office	Legislature, Public Service & Works	State	643
Courts Attorney Generals	Administration of Justice	State	4
Culture National Library of Australia	Recreation and Culture	State	8
Employment & Training DEETYA	Employment & Education	Cwealth	347
Emergency Services Emergency Management Aust.	Public Safety and Emergency Services	State	8
Welfare Dept of Health, Family Services	Social Security	Cwealth	5
Welfare Dept of Social Security	Social Security	Cwealth	126
Air Services Airservices Australia	Airport	State	66
Commonwealth Grant to KAVHA Fund	Recreation and Culture	State	196
Policing AFP	Public Order and Safety	Cwealth	113
Communications Telstra	Telstra	Cwealth	242
IPS Radio & Space Services	Communications	Cwealth	20
Dept of Communications and Arts	Culture & Recreation	State	3
Veteran's Pensions Dept of Veterans' Affairs	Veterans Pensions	Cwealth	805
Primary Industry, AFMA	Agriculture, Forestry, Fishing and Hunting	State	8
AGSO	Mining, Manufacturing, Construction etc	State	13
Environment, Priorities & Coordination Group	Environment	Cwealth	61
Bureau of Meteorology	Meteorology	Cwealth	277
Environmental Protection Group	Environment	Cwealth	3
National Parks, Parks Australia	National Parks and Wildlife Services	State	659
Commonwealth Grant to KAVHA Fund	Recreation and Culture	State	196
Revenue Fund Expenditure			
Administrative	Legislature, Public Service & Works	State	1 789
Health (including quarantine)	Health	State	85
Education	Primary and Secondary Education	State	1 280
Welfare	Social Security	Cwealth	749
Courts & Lands	Administration of Justice	State	283
Police	Police	State	195
Broadcasting and Public Library Service	Recreation and Culture	State	131
NI Legislative Assembly	Legislature, Public Service & Works	State	287
Tourism	Tourism	State	28
Roads	Road Maintenance	State	249
Forestry, Livestock & Noxious Weeds	Primary Industry	State	276
Tanalith Plant	Tanalith Plant	State	83
General Works	Legislature, Public Service & Works	State	796

Table D-12 CLASSIFICATION OF TRANSACTIONS BY FUNCTION AND GOVERNMENT LEVEL 1995-96 (Continued)

	Functional Category	Function Level	1995-96
			\$'000
Revenue Fund Expenditure (continued)			
NI Emergency Services	Public Safety and Emergency	State	150
KAVHA Fund	Excluded as an Interfund Transfer		0
Other Expenditure	Legislature, Public Service & Works	State	74
Suspense Account Provision – Recurrent	Legislature, Public Service & Works	State	106
Appropriation Former Years	Legislature, Public Service & Works	State	-47
Administrative Fund Expenditure (GBEs)			
Liquor Supply Service	Liquor Supply Service	State	1 764
NI Postal Services	Postal Service	Cwealth	768
NI Electricity Service	Electricity Supply	State	1 257
NI Telecom	NI Telecom	Cwealth	1 401
NI Lighterage Service	Lighterage Service	State	210
NI Airport	Airport	State	663
Water Assurance Fund	Water Supply and Sewerage	State	77
KAVHA Fund	KAVHA	State	177
NI Bicentennial Integrated Museums	Recreation and Culture	State	183
Workers Compensation Fund	Workers Compensation	State	267
NI Healthcare Fund	Healthcare Fund	State	450
Statutory Bodies Expenditure			
NI Hospital	Community Health Services/ Nursing Home Services/ Health	State	1 851
Tourist Bureau	Tourism	State	774

Comparative Data

39. The populations in Table D-13 have been used in calculations throughout the report. Other figures were suggested for Norfolk Island in response to the draft report, but these have been retained for consistency with the Norfolk Island Census.

40. The comparisons are shown in Table D-14 for Commonwealth type functions and D-14 for State type functions. Total and per capita figures for each functional category are shown, and compared where possible with a mainland equivalent.

41. The mainland figures for Commonwealth type functions are from ABS Government Finance Statistics 1995-96 and ABS Taxation Revenue Australia 1995-96. The revenue figures are not an exhaustive list of all Commonwealth revenues, only those required for this comparison. Chapter 7 provides analysis of consolidated State and Commonwealth type revenues for Norfolk Island and mainland.

Table D-13 POPULATION DATA, 1993-94 TO 1995-96

Jurisdiction	1993-94	1994-95	1995-96
Christmas Island	2 200	2 200	2 200
Norfolk Island	1 772	1 772	1 772
Australia (including Norfolk Island)	17 750 016	17 939 237	18 169 516
Northern Territory	170 460	172 414	176 260

Table D-14 COMMONWEALTH TYPE FUNCTIONS – REVENUE AND EXPENDITURE 1995-96

	Norfolk Island Government		Commonwealth on Norfolk Island		Total related to Norfolk Island		Commonwealth	
	\$'000	\$pc	\$'000	\$pc	\$'000	\$pc	\$'000	\$pc
Revenue								
Income Tax	333	187.97	528	297.97	861	485.94	81339000	4582.47
Indirect Taxes	1230	693.97	480	270.88	1710	964.85	12970000	730.70
Customs duty	2518	1420.86			2518	1420.86	16634000	937.13
Offshore Fishing Licenses			59	33.21	59	33.21		
Departure tax	731	412.76			731	412.76		
Total	4812	2716	1067	602	5879	3318	110943000	6250.3
Expenditure								
Administration			198	111.74	198	111.74	6028000	339.61
Public Order and Safety			113	63.84	113	63.84	723000	40.73
Immigration			8	4.53	8	4.53		
Environment			65	36.44	65	36.44		
Agriculture, Forestry, Fishing and Hunting			8	4.53	8	4.53	572000	32.23
Mining, Manufacturing, Construction			13	7.48	13	7.48	195000	10.99
Communications			20	11.29	20	11.29	444000	25.01
Meteorology			277	156.34	277	156.34		
Employment & Education			347	195.90	347	195.90		
Social Security	749	422.80	130	73.63	880	496.42	44963000	2533.12
Veterans Pensions			805	454.20	805	454.20		
Defence							9276000	522.59
Foreign Affairs and Trade			120	67.72	120	67.72		
Postal Service	-317	-178.83			-317	-178.83		
Telstra			242	136.43	242	136.43		
NI Telecom	-1414	-798.19			-1414	-798.19		
Total	-982	-554	2338	1320	1356	765	173144000	3504.28

Table D-15 STATE TYPE FUNCTIONS-REVENUE AND EXPENDITURE 1995-96

	Norfolk Island Government		Commonwealth on Norfolk Island		Total related to Norfolk Island		Mainland	
	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita
Revenue								
General Revenue Assistance							19662098	1082.15
SPPs treated by inclusion							3918142	215.64
SPPs treated by exclusion							15946015	877.62
Payroll Taxation	205	115.51			205	115.51	7196206	396.06
Land Revenue	73	40.99			73	40.99	1519179	83.61
Stamp Duty on Conveyances							2813139	154.83
Financial Transaction Taxes	911	514.02			911	514.02	2379129	130.94
Stamp Duties on Shares and Marketable Securities							389555	21.44
Gambling Taxation	81	45.85			81	45.85	3414228	187.91
Vehicle Registration Fees and Taxes	219	123.47			219	123.47	2238219	123.19
Stamp Duty on Motor Vehicle Registrations and Transfers							1048615	57.71
Drivers' Licence Fees							271947	14.97
Duty on Petroleum	302	170.37			302	170.37	1525489	83.96
Duty on Tobacco							2620927	144.25
Liquor Licence Fees	55	31.21			55	31.21	743001	40.89
Interest Earnings	427	240.74			427	240.74	795855	43.80
Mining Revenue							1038248	57.14
Metropolitan Water Supply and Sewerage							422140	23.23
Other Revenue nec	461	260.05			461	260.05	1171822	64.49
Total	2733	1542			2733	1542	69113954	3804

Table D-15 STATE TYPE FUNCTIONS-REVENUE AND EXPENDITURE 1995-96 (Continued)

	Norfolk Island Government		Commonwealth on Norfolk Island		Total related to Norfolk Island		Mainland	
	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita
Expenditure								
Airport	377	212.55	66	37.52	443	250.07		
Preschool Education							337460	18.57
Primary and Secondary Education	1280	722.32			1280	722.32	11460140	630.73
Technical and Further Education							2639853	145.29
Higher Education							33658	1.85
Health Insurance	447	252.50			447	252.50		
Workers Compensation Fund	155	87.42			155	87.42		
Health	1305	736.67			1305	736.67	5825142	320.60
Medivac Flights			100	56.43	100	56.43		
Nursing Home Services	1	0.34			1	0.34	875649	48.19
Mental Health Services							840214	46.24
Community Health Services	12	6.61			12	6.61	2061002	113.43
Police	195	109.81			195	109.81	2811771	154.75
Administration of Justice	276	156.00	4	2.53	281	158.53	1412957	77.77
Corrective Services							819859	45.12
Public Safety and Emergency Services	150	84.88	8	4.23	158	89.12	449283	24.73
Family and Child Welfare							852630	46.93
Aged and Disabled Welfare							2216526	121.99
Other Welfare Services							389509	21.44
Recreation and Culture	251	141.63	402.7	227.26	654	368.88	733589	40.37
KAVHA	177	100.12			177	100.12		
National Parks and Wildlife Services			659	371.89	659	371.89	272260	14.98
Aboriginal Community Services							149650	8.24
Superannuation							3379160	185.98
Legislature, Public Service & Works	2806	1583.41	638	359.76	3443	1943.17	1239903	68.24
Primary Industry	220	123.97			220	123.97	751627	41.37

Table D-15 STATE TYPE FUNCTIONS-REVENUE AND EXPENDITURE 1995-96 (Continued)

	Norfolk Island Government		Commonwealth on Norfolk Island		Total related to Norfolk Island		Mainland	
	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita	\$'000	\$per capita
Expenditure (continued)								
Tourism	802	452.78			802	452.78	217894	11.99
Road Maintenance	249	140.30			249	140.30	1454575	80.06
Debt Charges nec							3209069	176.62
Regulatory and Other Services							2320792	127.73
Technical and Further Education							322005	17.72
User Charges								
Hospital Patient Fees	697	393.29			697	393.29	691977	38.08
Fees and Fines	47	26.39			47	26.39	537799	29.60
Property Titles	157	88.73			157	88.73	288218	15.86
Other User Charges	327	184.67			327	184.67	1832132	100.84
Transport Undertakings					0	0.00	3019017	166.16
Lighterage Service	71	39.99			71	39.99	191050	10.51
Water Supply and Sewerage	144	81.09			144	81.09	153329	8.44
Housing					0	0.00	781134	42.99
Electricity Supply	429	242.04			429	242.04	1881481	103.55
Other Trading Enterprises					0	0.00	347028	19.10
Liquor Supply Service	755	426.01			755	426.01		
Tanalith Plant	5	2.69			5	2.69		
Total	6080	3431.11	1886	1064.13	7966	4495	44998062	2476.57