



CGC 2019 Norfolk Island Inquiry – Terms of Reference

Terms of Reference for the Norfolk Island Inquiry 2019

The Department of Infrastructure, Regional Development and Cities (Infrastructure) is seeking to obtain credible costing-related information to both:

- (1) Support consideration of options for the provision of state-type government services on Norfolk Island; and
- (2) Assist in defining the optimal service provision framework for the delivery of state-type and local government services, and legacy state-type government business enterprises.

Infrastructure is seeking estimates of annual expenditure for services on Norfolk Island from the Commonwealth Grants Commission (CGC). CGC will make its calculations with reference to the services available in comparable communities, having regard to the circumstances of Norfolk Island, and assuming that Norfolk Island makes the average Australian revenue raising effort from its state and local government equivalent revenue bases, and that Norfolk Island operates at the average level of efficiency.

CGC will:

- (1) Calculate the amount of annual expenditure, including infrastructure costs, required to provide state-type government services, local government services and support for legacy state-type government business enterprises on Norfolk Island, taking into account the circumstances of Norfolk Island.
- (2) Provide a breakdown by expense categories for state-type government services, local government services and legacy state-type government business enterprises.
- (3) Determine the capacity of Norfolk Island to raise revenue from a comparable range of taxes and charges levied by state and local governments.
- (4) Determine the costs of infrastructure that would be required for the provision of state-type government services, local government services and support for legacy state-type government business enterprises at the range and levels provided in the states, assuming Norfolk Island has the average per capita infrastructure at the beginning of the financial year.
- (5) Provide Infrastructure with a final report and modelling tool or mechanism for updating annual expenditure for state-type government services, local government services and legacy state-type government business enterprises, by September 2019.
- (6) Publish the final report on its website, on a date to be agreed with Infrastructure.

CGC will refer to and, where applicable, update the Commission's 2011 Norfolk Island Inquiry, noting that Norfolk Island was self-governing at that time.

CGC will ensure that figures for local government services are consistent with local government funding arrangements applying elsewhere in Australia.

Infrastructure will provide CGC with information and data to support its analysis of annual expenditure required to provide state-type government services, local government services and/or legacy state-type government business enterprises, including information required from the Norfolk Island Regional Council.