

Epsom, Auckland for over forty years. Edna took work as a tailoress/seamstress in one of Auckland's major stores. She and Ross shared many interests, one of which was going on extensive walk-about all over New Zealand. Ross died in Auckland in 1991. Throughout her life, Edna's main interests were focused on the well-being of her family and extended family, and the community of Norfolk Islanders living in New Zealand. One of her sayings that she lived by was that 'a day es worthless unless you bin laugh out loud'. An elegant lady, her presence will be sadly missed by her relatives and many friends and to those, this House, extends its deepest sympathy

MR SPEAKER Thank you Mr Brown. Honourable members as a mark of respect to the memory of the deceased, I ask that all members stand in silence please. Thank you Honourable members

PETITIONS

We move to petitions. Are there any petitions this morning?

GIVING OF NOTICES

Are there any notices?

QUESTIONS WITHOUT NOTICE

Are there any questions without notice?

MR CHRISTIAN Thank you Mr Speaker, I direct my first question to the Chief Minister. All MLA's have received a letter from the Public Service Association expressing concern about the recruitment of the consultant to assist with running the Government airline. Can you provide or arrange to provide a response to that letter outlining, the Government's position

MR GARDNER Mr Speaker I signed off on a response to that letter yesterday and I'll circulate it to Members for their information

MR CHRISTIAN Thank you Mr Speaker, I have one additional question directed at the Minister for Finance. It consists of basically six parts, some parts broken down into sub parts and I would probably request that the Minister take it on notice and provide a more detailed response at the next meeting or in his debate later today. Minister do you intend to recommend the implementation of an equitable tax system whereby the tax base is expanded so that a fair share of liability is spread across the community, secondly Minister are you in favour of a tax that will in some cases mean that a local wholesalers product will cost the consumer at least double if not treble the amount of taxes because it will be applied to each and every link in the supply chain, thirdly, Minister can you define what is meant by certified for resale at the customs barrier. Fourth, can you define for local production purposes the resale or not for resale status of the following imports; a. fertilizer for commercial primary production b. animal feeds for example chook pellets, horse pellets, pig pellets and cattle feed c. seeds, mushroom spawn, potting mixes d. product packaging e. bread and bakery products specifically flour, salt, sugar, oils and yeast and 5. is the Minister for Finance aware that with a turnover tax and with continued customs duty applied to local business imports deemed not for resale, the tax take on locally produced goods will be at least double if not treble. 5. is the Minister for Finance aware of the following statement made by the

Australian Advisory Group, a. there are risks concerning the perceived equity of a turnover based NSL applying at each stage of production without a system of input tax credits for business inputs or other means of compensation for those businesses and their customers that are adversely effected b. primary producers and manufacturers who sell to local retailers would also be subject to a higher effective tax break without input tax credits, c. although business to business dealings would not appear to amount to a significant proportion of economic activity there will still be price distortions and impacts on profitability of those businesses that acquire a significant proportion of inputs from other businesses depending on the rate of the levy it would be expected that businesses that source a significant proportion of their inputs from other businesses may consider substitution by direct importation, substituting their own production arrangements, amalgamation or acquisition of the supplier and d. a retail sales tax would eliminate the cascading impact of a turnover tax without input tax credit entitlements and is likely to be perceived by businesses as more equitable. It should theoretically also raise the same amount of revenue as a value added tax with input tax credit entitlements, Thank you Mr Speaker

MR NOBBS

Thank you Mr Speaker. I thank Mr Christian for his comments. Anybody who's been to any of the many meetings that we've held with various groups, a lot if not most of those issues, if not all of them, have come out from time to time and that's why Mr Speaker we do not have a reasonable group as I've said in this forum before and I said it last time and I don't want to repeat what I said last time but I will say this, that we are not clear totally on the island's economy and that is why the recommendation is to progress the issue by virtue of instituting what I'll be doing later on and I think I can talk on it now, a bill to put in stage 1, or a trial period, for an NSL from the 1st December, it's been put back from the 1st October to the 1st December, until the 30th June so that's why we are doing that. Now as far as I'm concerned, I'm always I believe that we need an equitable and fair tax system for the island here, I don't believe we have one at the present time, I accept the working groups proposal that we can have one with the NSL but we need to develop it and those particular issues, of whether we have input credits or we go to a wholesale tax or whatever the issues are, can be brought out in the seven months period that we have the NSL trial period in process. Certified for resale at the customs barrier, there will be of course, upping the availability of information to customs, that's being worked on right now, and I don't want to frighten people, it's nothing spectacular except that I think it would be a better service for the island and also a better service for the customs organizations. There'll naturally be in that an audit trail which can be followed back to the customs area and I don't think there is any great problem in a person coming in and certifying that the goods that are imported are for resale and then a check made as to precisely whether they were actually used for resale or used on something else. Local production Mr Chairman as you know, I and several Members of the working group are local producers and we value, and the whole group values, the initiative of local production. It's something that hasn't had encouragement and that's why it annoys me a little bit when we keep talking about local production and yet we haven't really encouraged it. Primary production has been an issue on the island for years. We lived of it as you know Mr Speaker, up until the tourism boom took off, and that's all we had really, primary production, whaling, those sorts of issues. It is something that is very dear to all islanders' hearts, I can tell you that. We need it and the money stays on the island. That's something we need to do something about. It's recognised by the working group that we need to assist those particular organizations, groups and people who provide local production and we will be doing it, but we need the funding, we need to know where the problems are and we need to know what funding can be available to put into that sort of area. It's most important. We talk at length about additional funding needs to be put into the tourist industry. Equally additional production needs to be put into local primary production. I

think that covers most of it Mr Christian. I'm not too sure if you want additional questions on that but the Australian Advisory Group did have some comment on it and there has been comment also from the Joint Standing Committee but I would just like to talk about this, and I've circulated the letter to all MLA's. it's from the Minister for Finance and Administration, Senator Nick Minchin to me some little time ago, in July and he says I support the initiative of the Norfolk Island Government to introduce the Norfolk Island Sustainability Levy to broaden its tax base and so improve its financial sustainability and he goes on to say that he would like to see it go ahead. So there you go, there are comments on it from different people and I'll be speaking more on that in the debate so I won't hold up question time unless Mr Christian has further. Thank you

MR CHRISTIAN Thank you Mr Speaker, I direct my next question to the Minister for Finance with responsibility for roads. Minister will the earthworks being performed on Marsh's Road in the Ball Bay area, are required to comply with batterslope conditions imposed on others and will the work area be drained, landscaped and planted when the work is completed

MR NOBBS Thank you Mr Speaker without saying anything out of school I gave instructions earlier that what should be done in future road works, and I must apologise to the Legislative Assembly that that hasn't happened. What needs to be done is firstly to put out a plan of what's to be done and also to seek input from the community and particularly the neighbors in relation to that particular works. It hasn't been done. I've made noises in relation to that and at this present time I haven't had a response so I am awaiting a plan and I will share that with Mr Christian as soon as I can. Thank you Mr Speaker

MR SHERIDAN Mr Speaker I've a question here for the Minister for the Environment. Minister a couple of weeks ago in the local paper, it stated that boral was importing 7,000 tonnes of sand for the airport upgrade project. Can the Minister advise why this sand could not have been obtained locally and what avenues were investigated to ensure that this sand could not have been sourced locally

MRS JACK Thank you Mr Speaker, Thank you Mr Sheridan. We don't have the facilities, we don't have that amount of sand. We have sand around us but we just can't go and take it and that's why it couldn't be sourced locally, I mean it comes under the EPBC, it comes after our own foreshores and requirements there, we may have it to look at but just because it's there you just can't go and take it

MR SHERIDAN Mr Speaker can the Minister advise what precautions have been undertaken to ensure that the sand that's being imported is not contaminated in any way by either insects, bugs or plant material prior to its importation.

MRS JACK Mr Speaker, it's going to have to come under our quarantine regulations, it will be heat treated or steamed, I forget which one, and then packed when its cool and brought over but it will undergo stringent quality and quarantine control. So Minister, considering those precautions are taken prior to its arrival, what testing facilities and procedures have been put in place on Norfolk Island to test the sand prior to the discharge of the sand from the barges

MRS JACK Mr Speaker, as I understand it one of our quarantine officers will be going over to learn methods of the correct testing that will be needed and the equipment to be used readings to be undertaken, to have correct oversight of that aspect

MR SHERIDAN Mr Speaker just a further supplementary on that that, considering the above Minister with regard to the treatment of materials that are usually prohibited could not this treatment be utilized for say the importation of fruit trees, stock, and other material that is usually banned from Norfolk Island

MRS JACK Mr Speaker, since my coming into this role one of the first asks I put to the Public Service was to look at the importation of bare rooted fruit trees. That paperwork has almost been completed. Work has been continuing with officers in AQUIS and our Environmental Officer to see that, that can proceed. as I said we are almost there. Workers were looking at hopefully looking at importation before the end of the year on a limited scale, under AQUIS conditions of importing certain number of trees and we'll see how we go from there, but they will be limited after they arrive to one spot, and would be kept in pots, once they arrive, for a period of up to three months in a suitably controlled environment and once the time period had lapsed and nothing untoward had happened and they had met all their requirements here they would be released, but as I say, the paperwork is almost finished and hopefully we can move on that before the end of the year

MR SHERIDAN Mr Speaker I've a question for the Minister responsible for the NSL. Minister with all the discussions in the community with regard to the proposed introduction of the NSL would the Minister advise if any modules have been constructed particularly with regard to how the NSL will effect family budgets, social security recipients and what inflationary effect it will have on the community

MR NOBBS Mr Speaker I think we should really look at what's actually happening Mr Sheridan is that people are looking at the longer term and stage two of the operation. In stage one we are putting it in at 1%. That's to cover the cost. We are reducing the customs duty on goods imported by 1%. There is no NSL to apply to Government fees and charges. There's nothing on electricity. There's nothing on cars. There's nothing on your hospital bill. There's nothing on all Government charges because we have details of those. We know what goes into those areas so we don't need to charge it in this process so we don't believe that there should be any, and if there is it will be a very small percentage increase, in the cost of living as a result of the NSL. Now bear in mind that the cost of living has not gone up in leaps and bounds but fairly significantly in the past few years so that's our view that we are taking that this is a small percentage, 1% going in and we are taking off those so that food comes back to 5%, there is no NSL on the fuel for which the fuel levy is being paid, and there is nothing on Government fees and charges. No NSL in that area. I don't think we can be fairer to tell you the truth. Thank you Mr Speaker

MR SHERIDAN Mr Speaker a supplementary. Minister with the NSL trial period there, putting that aside, okay you've talked about the trial period, but considering the next step, don't you think it would be pertinent for the Government now to do project modules on how the proposed NSL would effect those areas prior to the seventh month trial because if the modules came out that it would not be satisfactory then we wouldn't have to waste our time doing the trial

MR NOBBS Mr Speaker I don't accept that. I mean we are talking about modules, if you agree talking about the ad that was in the paper the other day well it was blown out of all proportion, that's it, and the factors in that ad referred to stage two. Now there's no way in the world that we could at 1% put in anything which would... Let me start again. Under the arrangements

MR BROWN Mr Speaker Point of Order. We do appear to be pre-empting debate on a motion which is to come before the House later. My point is the pre-empting of debate is not appropriate in accordance with Standing Orders

SPEAKER Yes, you are quite right about pre-emption and you are quite right to take that on board. It is difficult to know whether this is to be part of that debate or not but it appears to have relevance to that earlier situation. I really don't want to cut across a member raising a matter but maybe we could just bear in mind that this is a substantive matter for prospective debate with the introduction of NSL legislation and if you it is thought that it could be addressed in that context, we might endeavor to put it in that context

MR NOBBS Mr Speaker I have no problems answering this. We went through this issue before the House commenced actually and the advise was that it could proceed, that was the advise that Neville and myself received, so I have no problems in answering it now. Getting back, with 1% we couldn't put in the full blown system. Now you must realize that in the context of this, and Mr Christian raised it earlier, whether its equitable to have a cascading effect for want of a better word and it comes in on all levels or it stays at the end and you have the drawbacks and the I like and you eventually end up with a final charge at the end. The difference in that is that in a cascading there will be smaller percentage requirements. There's never been a proposal here to try and get as much money as we could. That is what I believed when it came in, in the Australian system. My personal opinion on it was that they were trying to look for as much money as they could and that was it. We are not looking at that. We want to know what the community wants in their requirements, and that's why we know to finalize the revenue situation with the Administration and we also need to know where we can take funds from within the community that everybody is going to have to pay extra. We are taking more money from the community. Everybody is going to pay extra. And I've got off the point Mr Sheridan. Could you just tell me what the question was again please

SPEAKER I think on that note I will just say that any further debate of the NSL we will reserve until we call that item on as Notice No 11. Any further questions

MR SHERIDAN Mr Speaker thank you. A question to the Minister responsible for Social Services. Minister could you advise the House what is the procedure for an old age resident to obtain an old age pension

MR BROWN Mr Speaker if a resident has been in Norfolk Island for more than ten years and wishes to seek social service benefits, the procedure is to contact the relevant officers within the service, Mr Kim Buffett and Miss Di Quintal. There are application forms which need to be completed. Information needs to be provided. The application is referred to the Social Services Board and it eventually comes with a recommendation from the Board to whoever may be the executive Member at the time.

MR SHERIDAN Mr Speaker just a supplementary to that please. Minister could you advise as to how long does the eligible person have to wait for such a pension once the Social Services Committee has forwarded their recommendation to the appropriate Minister

MR BROWN Mr Speaker I have a practice of endeavoring to deal with matters within 48 hours of them coming to my desk. I'm not aware that I have any

social service matter on my desk at present, so if Mr Sheridan is speaking of a particular issue, if he would like to give me the details later I would certainly follow it

MR SHERIDAN Mr Speaker another one for the Minister for Community Services. During the past month I enquired from yourself if there were any policies in regard to medical evacuations from Norfolk Island. In your response you stated "the policy of the present Government is that the cost of medical evacuations should be a patient cost" and you also commented that during the period when Mr John McCoy was in executive office, he introduced a short term policy under which the Government would cover the cost of medical evacuation for a few months until a permanent scheme was devised. Mr Speaker, I've been unable to uncover a copy of either policy but it's interesting to note from the Hansard of the 26th September 2001 during the Ninth Assembly a question was put to the then Minister Mr McCoy by Mr Brown and in part it read, "are there policies in place in relation to Medivacs?" Mr McCoy's reply was "I have not been able to find a Norfolk Island Government policy on how Medivacs are carried out". I would like to ask the Minister Mr Brown, now that he is the Minister responsible, if the Norfolk Island Government has any written policies in place in relation to medical evacuations

MR BROWN Mr Speaker Mr Sheridan is talking of two quite distinct issues. One is the question of funding the evacuations and the other is the question of arranging an evacuation. There most certainly is a policy at the Norfolk Island Hospital for the arranging of an evacuation. That requires two doctors to form a view that the evacuation is essential. It requires the Director of the Hospital to contact whosoever may be the executive Member of the day and there is a brief but documented detail of how the hospital is to go about making those arrangements. That is in relation to arranging an evacuation. In terms of funding an evacuation, Mr Sheridan may be aware that for many years the Royal Australian Air force provided assistance with evacuations. That assistance reduced either significantly or to zero, which ever way one wishes to regard it, and for some time now, evacuations have been carried out either by scheduled aircraft flights, and there are two categories there, one is on a stretcher and the other is as a walking patient, and the other category is using charter flights. Once it became necessary to begin to use charter flights they were funded in various ways. Some people are covered by travel insurance policies or private health policies or the Department of Veterans Affairs, and in those situations the relevant body looks after the cost. People who are beneficiaries under our Social Services scheme in most cases have access to our HMA scheme. Hospital and Medical Assistance for approved persons

and Mr Sheridan will be aware and I'm sure that most Members are aware that there are different categories of HMA entitlements ranging from 100% down and so, if someone is entitled to the provision of transport services by HMA, that's how it's funded but otherwise if someone is a visitor to the island and doesn't have travel insurance which covers them, or if someone is a resident who doesn't have health insurance or travel insurance, a Bill is raised to recover the cost of the flight. When Minister McCoy introduced his short term policy he was very hopeful that he would introduce a long term policy within a matter of a few months. That long term policy was not developed to a stage of being introduced and the short term policy continued for a period. During the life of this Legislative Assembly it was recognised that the short term policy was simply not affordable and a different approach was taken, and that approach was that charges would be made for such flights until such time as a scheme could be put in place to cover the costs. Now later in today's meeting, Mrs Boudan has given notice of her intention to move a motion in relation to medical evacuations and if the House is of a view that Mrs Boudan's motion is deserving of support well, that will solve part of the problem. It won't solve the funding problem because even if Mrs Boudan's further motion

about the Healthcare Scheme is successful it is unlikely to provide more than about \$120,000 per year towards the cost of medical evacuations which is a reasonably small part of the total cost but nevertheless, if the House forms a view that it wishes medical evacuations to be funded by the Government then subject to the House tell the Minister for Finance how the House would like him to fund it, to actually go about finding the money, that's fine by me, but at present I'm attempting to pursue a responsible course to ensure that we can afford to do what we are doing and unfortunately that requires that charges be made when it's necessary to arrange an evacuation flight

MR SHERIDAN Mr Speaker a supplementary there please. I enquired actually if there was any written policies in place in relation to medical evacuations and the Minister has indicated that the hospital does have guidelines as to how medical evacuations are carried out. Minister are those guidelines policies from yourself as instruction to the hospital? And then I believe once the case comes before the doctors, if the case is bad enough they would refer that patient offshore. Is that correct

MR BROWN Mr Speaker the doctors alone do not make the decision that a charter flight be engaged. It is necessary for two doctors to certify that they believe it's essential but there is a further part to the procedure which needs to be followed and if we look back at the medical evacuations situation there was at a much earlier time a policy document in relation to arranging air force flights, so these documents go back quite a long way. I recall on an earlier occasion spending time with the Administrator of the day in revising that document and it became somewhat outdated once the air force ceased to provide the services, but there have been bits and pieces of documentation I think for quite some time. Perhaps not perfect but nevertheless, giving reasonably sound guideline as to go about beginning the decision making process and as to who is responsible for doing what on the way through that process

MR SHERIDAN Mr Speaker. Thank you Minister just a further supplementary, considering your reply there Minister the point I'm trying to get to is if the Hospital Enterprise has been instructed by yourself with regards to a policy as to how evacuations are carried out, would you be able to table that policy in the House in accordance with the Act, under section 20 I believe

MR BROWN Mr Speaker if I had delivered a direction I would certainly table that direction. The policy that is used at present is not a policy that I introduced. It is a policy that has been with the Hospital for quite some time. I'm uncertain Mr Speaker as to how appropriate it is to table every Hospital policy document. If Mr Sheridan would like to have a look at it, I'm more than happy to facilitate that, but I'm somewhat reluctant to bring down folders full of what might be commercially sensitive documentation showing how the hospital is run on a day to day basis. I'm more than happy for Mr Sheridan to have a look at it, I'm just not convinced that it's appropriate for me to bring it all down and table it

MR SHERIDAN Mr Speaker no I wasn't after the total hospital's files, as you might say. All I'm after is, as it refers in the Act, "if the executive member after consultation with the Director of the Hospital Enterprise issues general guidelines to the medical staff about the policy to be adopted by the staff in making referrals which I would presume a medivacs would come under because they have to be referred off shore, as soon as practical after issuing the guidelines the executive member must lay before the Legislative Assembly a copy of those guidelines, and that's all I was after. I was just enquiring whether or not the Minister had given any guidelines to the Hospital Enterprise with regard to such

MR BROWN Mr Speaker if I didn't make myself clear, I have given no guidelines, the guidelines which are being used at present are guidelines which were in existence at the commencement of this Legislative Assembly

MR T BROWN Mr Speaker a question for the Minister for the Environment. In the past financial year the cost of running the waste management centre was some \$320,000 odd dollars. What measures does the Minister plan to take to reduce it's running costs without dramatically reducing the hours of operation or quality of service

MRS JACK Thank you Mr Speaker, Mr Brown, a similar question was asked of me in the last Legislative Assembly meeting and I did hand out to all Members a memo that came back from the Manager and Executive Director with responsibility for the waste management centre and in that Mr Tim Brown was quite correct in that the waste management levy raised approximately \$245,000. This was further supplemented by sales of aluminum to the value of \$20,000 and that the total running costs of the waste management centre was just under \$321,000 which means a deficit of just under \$55,000. As the public will be aware, the operations of the waste management centre have been continually evolving since the centre was established and processes are being scrutinized to determine the most cost effective ways of doing certain tasks so in answer to Mr Tim Brown's questions on just what is happening to lower that deficit I can say that variations to load capacity on the main waste management truck have improved efficiency of transport to Headstone by 250% with further gains possible. A reduction in the opening hours of the centre by one hour per day allow the adjustments to rosters to be made with further actual cost savings; they are considering further cost reductions in closing the centre on one week day, and this is only a matter being considered, it has not been implemented, and if we did do that it would mean a saving of labor of \$500 per day which would equate roughly to one position or \$26,000 per year. Currently there are six people employed in the waste management centre, two of those are permanent, the rest are temporary. The view is to move on those temporary positions in the future and I won't go into details of how that is proposed to be implemented in this forum. We are looking to at further enhancement of the waste management centre with the adoption of the tub grinder and other related bits of capital plant so there will be changes made there. Overall it's looking also at recycling matters and trying to get some value in value adding, in recycling but as I said before it's an ongoing matter and we are trying to look at the ways of not having to rely on going into the Water Assurance Scheme to cover our deficit in that area, because the waste management centre comes under the water assurance levy or the Water Assurance Scheme as well, Thank you

MR BROWN Mr Speaker I wonder if I could add something brief to the response I provided to Mr Sheridan a short time ago. It's occurred to me in the intervening period that Mr Sheridan might not realize that medical evacuations are actually funded out of the social service vote. The hospital is responsible for arranging the evacuation, the payment and the billing for the evacuation are done out of social services, Thank you

SPEAKER Any further questions. Yes Mr Sheridan but before I give you the call may I draw Members attention to the fact that Members of the Youth Parliament have joined the Public Gallery this morning from the Norfolk Island Central School and I would want on your behalf to wish them a good morning and welcome this morning

Hear Hear

MR SHERIDAN Thank you Mr Speaker I've a question for the Chief Minister. Chief Minister I refer to the proof hansard of the Joint Standing Committee on the National Capital and External Territories sitting on 4th august 2005 in relation to the financial sustainability and accountable system of representative self Government in Norfolk Island. Is it the Minister's intention to make a submission to the Joint Standing Committee to negate the disgusting insinuation and allegations portrayed throughout the sitting

MR GARDNER Mr Speaker in relation to the hansard of the Joint Standing Committee generated from their sitting of the 4th august, Members of the Legislative Assembly briefly discussed that issue at our Members meeting on Monday morning and I believe the suggestion at that time was that it is necessary to formulate a response and a submission to that hearing. I guess as far as the insinuations and bits and pieces, those are left up to each individuals interpretation of what was included in the hansard of the JSC in matters arising of the JSC at that hearing, but as is normal practice, I would imagine that the Norfolk Island Government will be preparing an appropriate submission to respond to some of the interesting claims that have been made

SPEAKER Any further questions without notice Honourable Members? No further questions without notice.

PRESENTATION OF PAPERS

Any Papers for presentation this morning.

MR NOBBS Thank you Mr Speaker. I table the Road Traffic (Road Safety Committee) Regulations 2005

Mr Speaker I table the Financial Indicators for June 2005 and move that the paper be noted that they be noted.

SPEAKER The question is that the Paper be noted

MR NOBBS Mr Speaker these are a little late but as it was the end of the financial year, that was to be expected. The situation really is that it's based on accrual accounting principals and as I said there were some problems in relation to the collection of information coming up to the financial year. The best determination is that at the 30th June 2005, although it's based actually on the 31st July 2005 because of the accrual arrangements, the revenue fund overall income is 98.2% of the revised budget, that is, \$208,000 short. Customs duty at the time was \$418,000 short of budget but this amount may improve when all imported duty returns have been processed and I would add in this particular issue that the customs figure³ indicated that there is a fall in duty from the previous financial year to the last financial year of about \$200,000 I think it's from 38 to 36 but please don't hold me to those figures but it's around those figures of around a \$200,000 drop which to be is a little surprising and very encouraging because I expected a considerable amount more. Earnings collectively from the other income categories are \$210,000 ahead of budget and the FIL receipts are \$309,000 ahead of the budget which is surprising. Income from other taxes is \$87,000 under budget, funds transferred for the liquor bond is 93.8% of its total budget which is \$83,000 under budget. Funds transferred from the operation of the Philatelic Bureau have been reduced from a budget of \$130,000 to \$100,000. This is due to cash availability in the

postal entity. Interest received from the bank deposit investments is \$30,000 over budget and other income is \$71,000 over budget. Overall expenditure which includes known and estimated creditors is 5.8% which is \$789,000 under the revised budget. In summary Mr Speaker, the 30th June 2005 based on the figures available at the 30th July, the overall revenue fund budget has an estimated deficit of \$1.703m compared to the projected budget deficit of \$2.284m. Depreciation expenditure on non cash item of about \$700,000 is not included in the indicators, so the situation Mr Speaker, if I may go very quickly, there's been a reduction in the projected deficit of round about \$500,000 and a bit. Thank you Mr Speaker

Mr Speaker I wish to table several Bill if I may and the first one is the Liquor Bill. It's just for tabling. We've been waiting on a new bill for something like seven years I guess, a new Liquor bill. It's been to the House before, it's been before the Bills Committee and now it's in its final format which wasn't available for this sitting

MR GARDNER Mr Speaker Point of Order if I may. I understand that the Liquor Licencing Bill was a matter that is on our Notice Paper

MR NOBBS It is. That Bill is to be withdrawn Mr Speaker

MR GARDNER Mr Speaker I think there's another way to deal with it, whether we bring on the Liquor Licencing Bill 2005 and at that time withdraw that Bill and replace it with the one that Mr Nobbs is proposing to table I guess as an exposure draft. I imagine there's a process that needs to be followed

SPEAKER Chief Minister I'm interpreting that Mr Nobbs' is tabling these, not as a formal tabling in terms of introduction as a piece of legislation but is exhibiting the paper to the public and to Members at this stage and it would have no further standing than that. If at another time he wishes to move in a formal sense to replace what he has tabled as an exposure arrangement for the one that is really item 7 in Orders of the Day then he would formally move to that stage but that would be something for the Minister or an appropriate Member to take it sometime

MR GARDNER Mr Speaker thank you for clarifying that

SPEAKER And I'm interpreting that Mr Nobbs, you referred to a couple of other Bills too although you haven't named them at this stage I would see those in the same light, in other words they are public exposure drafts

MR NOBBS Mr Speaker I'm sorry I didn't clarify that at the outset that these are exposure drafts and I will need to withdraw the existing Bill on the Notice Paper and replace it with this one. There have been some changes to it

SPEAKER That however is another step

MR NOBBS I'm not doing that now

SPEAKER Chief Minister any further queries in respect of that. Thank you for raising the matter

MR NOBBS The two other Bills

SPEAKER The title of that Bill please Mr Nobbs. The title of the one that you've just identified please

MR NOBBS The Liquor Bill 2005

SPEAKER Thank you

MR NOBBS The second one is the Business Transactions (Administration) Bill 2005 as an exposure draft and that is to provide for a levy which is the part of the second one I wish to table is the Business Transactions (Levy Imposition) Bill 2005 on the levy chargeable upon certain transactions in relation to the sale of businesses. They are three exposure drafts, not being introduced

SPEAKER Thank you Mr Nobbs. Any further Papers. Honourable Members we move to Statements of an official nature

MESSAGES FROM THE OFFICE OF THE ADMINISTRATOR - NO 16

SPEAKER Honourable Members I have received the following Message from the Office of the Administrator which is Message No. 16. On the 22nd July 2005 pursuant to section 22 of the Norfolk Island Act 1979 he declared his assent to the Sale of Tobacco (Amendment) Act 2005 which is Act No 17 of 2005. The message is dated the 22nd July 2005 and signed by Grant Tambling, Administrator

ADDITIONAL EXECUTIVE OFFICE

MR CHRISTIAN Mr Speaker, I move that the resolution passed by the Legislative Assembly on 27 October 2004 relating to executive offices in the Eleventh Legislative Assembly be amended (a) By deleting "4" and substituting "5" in paragraph 2.; and (b) Designating the additional executive office as "Minister for Air Services". The motion that I have before the House seeking to appoint a fifth executive Member to be responsible for air services in my view is the way forward to ensuring the long term reliable air service from Australia. The Chief Minister supported by the Minister for Finance and the Minister for the Environment Mrs Jack, when necessary along with other Members of the Airline Working Group Mr Buffett, Mr Sheridan, Mr Peter Maywald and the Acting Chief Executive Officer Mr Mathews, and myself, have I believe, performed in an outstanding manner in restarting airlines services from Australia after the collapse of Norfolk Jet Express. The Chief Minister has borne the majority of the workload. He has put in some extremely long hours, tolerated confidant abuse and graciously accepted pats on the back by those who have complemented him on a job well done. The task of running an air service while continuing negotiations for a long term solution has proven to be far more difficult than anyone of us ever envisaged. We have come a long way in the past two and a half months, but much remains to be done. I believe that the Chief Minister should be free in his role as Tourism Minister to promote the island and rebuild our tourism industry to our former levels. Without being burdened with having to respond to daily queries and problems within the air service. In simple terms, I envisage one minister providing the airline seats and another Minister filling those seats. Many benefits flow from this motion if accepted and some of those benefits are, firstly as previously stated the Chief Minister can focus solely on tourism, the Acting Chief Executive Officer and Secretary to Government can return to their normal duties, problems that arise on a daily basis can be referred to one person and that person actually has the authority to implement the necessary fix without the delays that would be incurred if handled through the Administration then onto the Minister in the normal way. I believe an executive Member has more clout when negotiating with potential air service providers. The solution that

I'm proposing is very cost effective. It would reduce our dependence on expensive external consultants, and it would utilize MLA's who are already in the system and up to speed with all of the issues and would cost on my estimates around \$13000 additional dollars for the period specified in the motion. The appointment of an additional executive member is the most expedient method that someone with the necessary authority can be recruited and appointed. I trust that other Members will see the wisdom and value in what I'm proposing and support this motion today, thank you

MR NOBBS

As Mr Christian knows, I disagree with him in relation to this. I find it difficult to say that there's a need for a Minister to be running over there. One of the problems that I believe we have encountered and I believe the Chief Minister and the working group have now fixed to a degree if not totally is the fact that we need somebody in the mix within the area of QANTAS and the like to deal with these things and to get right to the coalface so to speak. We've had difficulties from this distance over the past few weeks in getting into that coalface arrangement. There always seems to be some sort of an air vent in the way which precludes us getting to the actual coalface and I think that the Chief Minister with his putting in place manager for want of a better word, and that, that will alleviate those problems. I think that at a time when I'm asking the Administration to pull their belts in and to take a look at the way they are doing things to cut back on the overtime, I mean, people think oh overtime, just cut it out. If it's been going on for years people build their expectations and their lifestyle to that additional funding and all of a sudden we have cut it and I can quite understand how there are some problems in those areas, but we just can't afford to keep paying additional funding out under the current arrangements and therefore I find it very difficult to turn around and say, and all Members know my views on that that we need three Ministers but we've got four at the moment and to turn around now and support a proposal and there's nothing personal in this at all, apart from these facts, to turn around and say that we now want a fifth Minister is something that I just can't support I'm sorry, thank you

MR BROWN

Thank you Mr Deputy Speaker. I think there are a few things in mind when we look at this. One is tourism is the very foundations of the Norfolk Island economy, the second is that without having an adequate number of airline seats and without working hard to promote their sale, we are not going to get visitors to the island. Last Friday the statistics indicate that we had 420 in total on the island. Annualised that figure is in the region of 21000. That's less than half the number which was set as the goal in the Unity 2005 document and at the time that document was put together it would be fair to say that for many people that Unity 2005 figure was very much the upper limit. They wanted to see the numbers kept down to that. It's now apparent that if we don't get the numbers up to that we are going to be in deep strife. The Minister for Finance has looked at his crystal ball and he's realised that unless he can reduce the expenditure in some fashion he's going to require a lot more money in order to balance the books and that problem is to no small degree the direct result of the decline in our visitor numbers. Many will suggest that simply charging greater taxes to those who are left is not the way to solve it. The proper way to solve it is to build the industry back up. We are already in difficulty Mr Deputy Speaker in terms of the increased expectations, with health Services, the increased expectations with Social Services, the continuing increases in expectation with education, the continuing cost increases in each of those areas, the continuing increase in the number of senior citizens as a proportion of our total population. All of those things can only be funded by having a viable economy. We don't have a viable economy today. I'm not suggesting that that's the fault of anyone, but I do intend to support Mr Christian's motion because by doing so I will be making it clear that I understand the importance of tourism to the Norfolk Island economy, that I understand that it is essential to have an adequate number of airline seats available be at a price that people are prepared to pay, and that

executive Member as I have outlined here as being the Chief Executive of the organization, of the air service and the Norfolk Island Government, Legislative Assembly has a history of using executives to run GBE's and that's why I have stressed in my discussions to all Members, this is not a political stunt. This is simply a method of using the resources that are available to us that are already being paid for in part by the community and to put that resource to the best available use. The additional cost that I've outlined as I see for having this executive perform the role of Chief Executive of the air serviced will be another \$13000 for the life of this motion, or the life of this appointment. Annualised it's \$26000. What did we pay for the consultant that assisted us to get up and running. \$50,000 for two months. the savings are huge if we follow this path. I think it's the responsible way forward and I will still hope that the Minister for Finance will see that I am in fact trying to assist him in conserving money

MRS JACK Thank you Mr Deputy Speaker, I have a problem with the proposal that's going forward and I would just like to air some views on it. We've spoken of daily problems, and that as I understand it, the executive Member will help sorting those out, yet we've just heard from Mr Christen that we've put a manager in and he's dealing with the daily problems, so it was my understanding that the manager was being put in to sort out scheduling, those daily problems that Mr Christian has just spoken about and that all that would be needed would be policy decisions and on policy decisions surely the idea would be to come back at least to the Government if not to the Legislative Assembly as a whole on any major policy decisions. If that's not the case we'd still just have the one Minister, the chief minister involved with the airline, making the decisions and going out there, I just can't see the need for an extra person. I appreciate all that Mr Brown has said however the Joint Standing Committee response is that is an Assembly of nine of us and not just the Chief Minister formulating a response there. I think that to have a Minister who is filing the plane with the marketing aspect such as the Chief Minister and tourism, goes hand in hand with the airline requirements, I see it as a short term need as highlighted by Mr Christian, I certainly don't think this Government or this Legislative Assembly that Norfolk Island the Administration should be looking on to taking over the running of an airline. I feel that this may be an initial step towards, and I'm not implying subterfuge or anything like that in Mr Christian's motion but giving the sense to some people in the Administration who I know would like us to continue with this line, that this is a possibility, I think it would be a path down a slippery slope and boy what a gradient there would be on it, lemmings over the cliff would be my view, but no, I'm sorry I appreciate all that's being said by Mr Christian and Mr Brown but I can't support the motion before the House thank you

MR CHRISTIAN Thank you Mr Speaker, Mrs Jack's contribution to the debate has actually highlighted the need for what I'm on about. Clearly if you look at tourism in Norfolk Island in the Norfolk Island context the manager that we have appointed is an operational manager, he is not a public relations person, he is not the face of the airline. In the Norfolk Island situation anybody out there in the tourist industry who has a problem or a concern or just a want of knowledge needs to have someone in Norfolk Island who he can get on the blower, stop in the street and say what's going on or this is the particular problem that I have. The manager that we have appointed is based in Australia, we don't even know how long that appointment will be for. There is an intention it will be for a set period of time but that may not eventuate so we have to have something in reserve. The reserve that I speak out is as an executive Member. I've also said that it's a non political thing. It's the best way that I can think of doing it

MR BROWN Thank you Mr Deputy Speaker. I think that we need to recognise that everything hasn't gone smoothly to date in this area. We've had solid load factors only many of the flights because we've consolidated back to just a

relatively small number of flights but we can't survive with just continuing with small numbers, nor can we survive with just adding one additional Sydney flight of a Saturday as we've done for October. We haven't yet added anything for November or for the period from November onwards. There are people meeting now to pay for and obtain tickets. They're not managing to do that. I can tell you that I'm receiving numerous phone calls from wholesalers, complaining about the situation and expressing real concern that they are about to lose significant numbers of bookings because under our present system, in the absence of one dedicated executive member driving the performance, we are marking time. The Public Service has a very understandable view that they need to minimize the losses which are sustained in running this service and you certainly can minimize the losses by minimizing the number of flights and driving your load factors as high as you possibly can as a result. But that's not the answer in the present situation. The answer in the present situation is that we have to recognise the absolute essential nature of the tourist industry to the survival of the Norfolk Island economy and so it's far more than just saying oh well, this is just the number of passengers who are already booked for the next twelve months so we only need this number of flights in order to carry them. Where are the flights to carry the additional passengers that we really do need if we are going to do better than 21,000 visitors over year. We are only going to achieve that by having one executive who has no other responsibility or task other than get the air services sorted out. Initially that has to be to continue to operate them ourselves but there needs to be a lot more done in order to ensure that proposals are received from potential replacement carriers and that the best possible arrangements are negotiated with those carriers. In terms of tourism responsibilities, I think we need to have a very hard look at ourselves. We have provided the Bureau for the coming year with considerably less funds than they requested at budget time. We have not given them one solitary cent more than that with which to work to overcome the present massive downturn. Not a single cent. The Bureau has a plan to spend \$85,000 in conjunction with the travel industry to try to market Norfolk Island's way out of the present doldrums. Now that \$85,000 by the look of it is going to cover the period right through until Christmas. Now with respect Mr Deputy Speaker, we need to do a lot more than that. We need to have the executive Member who has responsibility for tourism able to spend very large parts of each and every day with the Bureau and the Bureau Manager to actually drive a result. We are not going to get a result the way we are going now and in the same fashion, we need an executive Member with responsibility for air services, to be able to be on the phone for eight hours per day if that's necessary to talk to everyone that needs to be spoken with, to make the decisions that need to be made. Mr Christian, mentioned earlier that people continue to be told that the only seats on the aircraft are available at business class fares. Well I can tell you that's right. That's happening because it's happening to me. And that is not the direction that the Legislative Assembly wanted to head. The Legislative Assembly wanted every seat on the aircraft to be available at an economy fare or a discount fare. Out of Sydney whereas the aircraft has 140 odd seats, only 130 of those seats are made available for sale but if you are going to set eight of those seats aside as business class seats, you've cut your economy seats back to 122. That's not what we wanted to do. But if you had any indication of the number of phone calls received in the course of the day by the Secretary to Government who has done a sterling job of trying to keep things going, by the Chief Minister's office I have no doubt, by various Members of the Legislative Assembly, by the Public Service, by Burnt Pine Travel I expect, and by the whole spectrum of wholesalers in Australia it's huge. It needs one person fixing it. Now some of you might think, oh well, what would anyone in the Legislative Assembly know. It may be that there is no-one in the Legislative Assembly who has a solid knowledge of the subject matter. It may be that it's very difficult to find a consultant that has a solid knowledge of the subject matter. You might find a consultant who has considerable experience in one particular area, let's say in the operational area, but that would be no

lose to us, because Air Nauru handles all of the operational things. What we are needing on the airline side is something different to just a specialist operations man or a specialist roistering man, or a specialist something or other else man. By all means ask that a person appointed to the position provide a detailed weekly report. By all means insist that he develop an accounting system such that we know how much has been made or lost in the previous week and you can do that on a weekly basis. By all means insist on accountability but lets recognise the importance of what we are talking about. Put a person in for the six month period. I have no doubt that Mr Christian's right. The \$13000 that it will cost will be far less than the amount that we will save on the consultant's hourly rate because if it reduces the number of hours which the consultant needs to spend, it reduces the consultant's bill to us, thank you

MRS JACK Thank you Mr Deputy Speaker, Mr Brown certainly has highlighted the importance and the thoroughness he believes should go to this position and the need for the person to have knowledge and is there anyone like that here. Well if you are going to go down this track, and I know this is just a proposal being put forward, but it would be my opinion that the only person who would have the knowledge to be able to talk the language that's required would be Mr Christian himself and if it's so important and so necessary, then it would have to be Mr Christian to take that role. After all. He's the holder of a commercial pilots licenced I believe. I mean, I don't know we haven't gone down there and I may be pre-empting, but if something is as important as that, then perhaps we should also be considering the qualifications or the capability of the person that is being mooted in this instance, Thank you

MR NOBBS Mr Deputy Speaker much has been made of the tourism arrangements and I know that with the Norfolk Jet Express that when they were operating they decided to cut back on their numbers and what have you and it's interesting to look at the seat availability because they didn't think they would be having numbers to fill them. It's really interesting, because if you look back, and I'm just going on figures per months, visitor numbers that is, compared to the same months in the previous years. We know there is a definite run of tourism here where you have your peaks and troughs and it seems to follow relative closely. From the end of December 2003 there have been three months that have been above the previous years visitor numbers. Three months, so from January 2004, that's not this January but the January before, but we hear that we've been down. We've been on the slippery slide so to speak. When you look at the proposals that are put to me in the tourist business here in relation to the NSL and I'm no expert on tourism, I can tell you that, but I do listen,. They tell me that you should be predicting those figures, three and four months ahead, so that means that about August two years ago, this time two years ago, we should have been able to predict that we were in for a downturn and that has continued, so in the life of the last Legislative Assembly we had this particular problem coming big time. Mr Brown pointed that out if I can remember in the last Legislative Assembly, and I forgot what month it was Mr Brown, but it was during that last Legislative Assembly that he pointed out we were heading down that same track. So the tourism figures, this downturn has been coming and coming and coming so I just think it's very difficult to blame the current incumbent in the position and I'm not crawling to the Chief Minister or anything like that, but we have had this since we've been in, one month that's been higher than the previous year and that I think was in march this year and that's all we've had so it's been really difficult for the Minister responsible for Tourism to turn things around, it been difficult for the Government to turn things around and in that time we've had a change in relation to the carrier so Mr Deputy Speaker, we can't say that this has been caused by the present Government as far as I'm concerned. There are problems. We've got to address them, we've got to get on with it and I believe that in our present arrangements, we can address these things and the sooner we get united and get behind it, as Mr

Brown said, there are a number of factors, it's not just the cost of the airfare. There are other factors involved that need addressing at the same time. The industry needs to address a lot of the issues. The Government can't go to the industry and say, you shall do this or you shall do that. It's the industry organizations, and I know. I spoke to them actually the tourist accommodation people on Monday, we had a very good meeting, they gave their views and I appreciate their views and I know that they are now working I believe as a fairly close unit. Now within the tourism organization it seems to be from the figures and I need to get these figures from the tourism people and the like, that there are as usual some organizations that are doing really well, and some that are doing really, really bad and that needs addressing not just by the Government but in the industry itself. It's most important because I see that a lot of those are youngsters here, so they've invested money since deregulation, and they need supporting. It's great to see now that we are looking at the smaller groups who seem to be getting together and looking more at a different marketing arrangement and I hope that marketing arrangement is successful but it will only be successful if people support it. Those are the issues that we need to look at, not whether we need another Minister or not. Thank you

MR CHRISTIAN

Thank you Mr Deputy Speaker, one other point I would like to highlight which I didn't touch on in my previous contribution to the debate is where's the money coming from for the service that we are running at the moment and a lot of people out there might not know where we are pulling the money from so I'll give them a quick overview of the situation as I see it. After the collapse of Norfolk Jet Express the Government put in place an air service that was fully underwritten that is, one passenger or 140 passengers on the 737 makes no difference to the operation of the aircraft. They get paid 100 cents in the dollar for every flight they provide for us. The Legislative Assembly took a decision, and I think the correct decision, that in order to minimize the disruption the collapse of Norfolk Jet Express might have on our tourist industry, that we would honour all tickets that had been booked and paid for, for Norfolk Jet Express services when time of travel was to be after the collapse. That meant that the Norfolk Island Government had to largely fund an air service with very little revenue to offset the cost. That will continue for maybe another month or so but the further down the track we go, the less that exposure becomes and the greater our income becomes, however, all of the financial modeling done for the Government air serviced, assumes a load factor of, I think from memory, 73% or 76% to break even on the fares and fare structures that are in place today so what that means in simple terms is that load factors that are lower than 73% we'll call it, we lose money on every flight. Load factors that are a bit higher, we'll make a bit of a profit. Profit tops up the losses and at the end of the day we may make some money, we may lose some money, or we might break even. Now the real crux of what I'm on about now is where's the money coming from. We are using accumulated cash reserves from the Airport Undertaking. That money accounts for about \$3.8m to \$4m in round figures and before people out there start panicking, that funding is in no way attached to the airport upgrade. The airport upgrade will be fully funded from borrowings from the Commonwealth so we are in fact spending money that had previously been accumulated. Now it costs us probably somewhere around \$180,000 per week to run the Government air service and I'll just round that off to \$200,000 to make the math easy. So we are looking at spending say \$800,000 per month. We are two and a bit months down the line so we've spent about \$1.8m. Now there is some income to offset that expenditure but income and cash flow are two different things. Now if you annualize the accounts in an income and expenditure sense we may make a profit, we may make a loss and we may break even but in cash flow sense we are about NSL my estimation, two months from running out of money. Now for us \$3.8m to \$4m sounds like a heck of a lot of money. To QANTAS that's smoko money. Now if we are going to run this service and pay for every flight up front before the flight

operates, and then have to wait three months before we get any incoming revenue, we could well be broke before the money starts flowing in. In that sense we've already announced today I think a \$1.7m deficit if you look into consolidated reserves, there might be a million dollars left that we can tap into, but if we exhaust that, we are really in deep straits and that's why I believe we need somebody totally focused on running the airline service, reporting to the Legislative Assembly weekly, reporting to the community weekly, I see no difference between the Legislative Assembly Members and the wider community, we are one and the same and I think we deserve no less than somebody driving the airline that's answerable and accessible. Thank you

MR BROWN

Thank you Mr Deputy Speaker the Minister for the Environment made mention of Mr Christian's pilot's license and I thought it might be helpful to stress, that's the very thing that we don't want. Air Nauru do the flying. I take that back Mr Deputy Speaker. I'm sure it would be interesting and rewarding but we are not needing a pilot. We are not needing an engineer. We are needing someone that will run the whole thing. It doesn't matter whether they understand the jargon or not. Pilots have jargon, sales staff have jargon. None of that matters. What we need is someone to take the responsibility for making sure that the things that need to happen do happen and happen properly and they need to be making sure that the dreadful end of which Mr Christian spoke, running out of money notwithstanding that some of the flights might seem to be profitable doesn't befall us, thank you

MR D BUFFETT

Thank you Mr Deputy Speaker, I would just like to put some concepts forward also in this debate and some of it will be repetitive of some of the valid points made by a number of additional speakers. But I think we must recognise in this debate that in Norfolk Island we do have an economic crisis at this moment. Our principal industry of tourism has plummeted. Now you just talk to employers who at this stage will tell you that many are not able to really have sufficient income to open their doors on a daily basis and meet the normal expenses that relate to that. You must ask employees who have had hours shortened or some of them, not able to continue in a job. We know ourselves around here in terms of action that has been implemented in respect of the Public Service. Our principal industry has had significant fall in numbers, the visitors spending pattern has significantly changed and fallen and we all know that in the last two months, there has been an airline collapse. That really spells very difficult times for us. Unusual times too. But in case you are thinking I'm trying to transport gloom and doom I want to very clearly say that I think all of that is recoverable but that is our situation and we must understand that, that is the situation. The first step in all of that of course, is to facilitate the carriage of visitors into this place, into Norfolk Island. That really means our airline situation, which is the subject of this debate. We must also market and sell to fill those airline seats in that context because by doing that, that is really our method to put it very bluntly of importing money into the Norfolk Island community and to then regain our viability. That is absolutely essential if we are to really be serious about getting up and running again. This motion which I consider to be an Honourable motion, I use that word very carefully because it may well be thought that it is a motion about blame, whether that be a wide Government blame or individual blame, that's not the case at all. It really is about ensuring that we have focus to meet our difficult situation that I've endeavoured to give an overview of and the motion as I see it is to give Governmental substance to that first and essential step which is the getting of an airline into gear into Norfolk Island. To put it at a ministerial level to have that responsibility as a principal focus. We all know that in any organizational arrangement and attending to tasks, that you have people at various levels, in the particular airline arrangement we have people at an officer level, that is, office staff level, professional management level, we have the tourist bureau in company with this, looking at marketing levels, but airline also has to dovetail with marketing arrangements into the

tourist arrangements, but we also need in this particular instance, participation at ministerial level if we are to get out of the difficulty which we face. The overall airline situation at this month has these two broad aspects attached to it. One is that we do need to get up and running as soon as practicable an established, viable, reliable airline for the longer term. The sooner we do that the better and that deserves our attention but in the meantime we need to have and maintain the transitional services which we are on about now. Both of those two are in a sense different but they are both the airline situation that we need to tackle and we need to run with both of them and in my view they certainly do need ministerial oversight in the context that others have described and that I think is essential. Not only do we have those two components, but we also have to oversee the transition from one to the other and that is not an easy task either and unless we do that as seamlessly as possible we will have another significant disruption in the marketplace, similar to where the other airline went down and we don't want those things to happen at that level. They will happen unless we handle it properly and unless we have the appropriate resources put to that task. I think that all of that deserves dedicated ministerial oversight and that's what I interpret the motion to be about and that's why it will have my support and I hope that Members of the Legislative Assembly and indeed the community can see why it is brought forward and why we ask elected Members want to play our part in Norfolk Island's recovery and show that we have the impetus to be able to do that, Thank you

MRS BOUDAN Thank you Mr Deputy Speaker. On the understanding that we cannot afford to run risk with airlines I would support any moves necessary that would guarantee only the best results. Such costs would be minimal and to make this move would I suggest enable the dedication it deserves. In the event of unforeseen circumstances it would also have its merits. Without an airline we have no tourism to which this whole community depends upon. We seem to be on a bit of a seesaw here. The Minister's who are not in favour of this proposal must surely have the insight to know if there is a definite need. I believe that all the Ministers have portfolios that at times appear to be overloaded. On the other hand we have Mr Christian who obviously knows very well where he is coming from and is speaking in very convincing tones. So what have we got to lose by making this appointment for a designated period of time. Each one of us along with the community are looking for work to be achieved and the goods to be delivered. Please may I ask does the Minister responsible for airlines believe that it would be an added benefit to have a Minister for Air services over this delicate period of time, Thank you

MR SHERIDAN Mr Deputy Speaker Thank you. I'll keep this very brief. I won't be longwinded like a few of my colleagues but the way I see the picture at this point in time is we have newly appointed General Manager for the tourist side of things and it's his responsibility to get bums on seats and I believe that we have to give him a chance and I've every confidence in him to do that. On the operations side of the airlines we've just recently appointed a man to be our operations fellow and he's only been on board for a couple of weeks if that and I believe he needs to be given the chance to prove that he can do that job. Now my other concerns are, that if the Ministers who are responsible for this area at this point in time, the Minister for the Working Group the Chief Minister or the aviation Minister Mr Nobbs, if they indicate they can't handle their responsibilities then I would support this motion but until they indicate that they can't handle the workload and dedicate the time required to facilitate these air services I'll be going the other way. The other thing in relation to this, the next part of it, is a Minister is to be designated as Minister for Air services. Does this indicate that he will be responsible for all matters relating to aviation or just for this introduction of the new airline and the current leasing arrangement that we have at this point in time. That question is yet to be asked and again, if he's responsible, if he takes over responsibility

for all those matters, come the end of January will there be the call for him to stand down and hand the reigns back to the Minister responsible at this point in time, Thank you

MR CHRISTIAN

Thank you Mr Deputy Speaker, just in response to Mr Sheridan's concerns there. I have no vision of this ever being a long lasting full time job. I see it as being very specific in its appointment. It's not taking anything away from any other executive at all it is just recognizing that we have a problem here and we need to focus on it and make one person responsible for it and I don't see that, that executive responsibility would be any wider than actually dealing with the Government Air Service as it exists today, bedding down any problems that we have with ticketing and far structures and those sorts of things and getting to a stage where we are able to make an announcement to facilitate the transfer to a more long term arrangement and when all of that is complete unless the Legislative Assembly decides otherwise, the appointment would finish. Now I know in a technical sense that the only way an appointment can finish is for the person holding that executive position to actually resign, but that's just a technical matter. I see no reason why it won't happen and there are possibly other ways of dealing with that issue if the need ever arose. Mrs Jack has made comment that I probably have a bit of expertise in the area and I do but what I can say to Members and the public is that I've been a Member of the Airline Working Group under the Chief Minister's leadership since I think it might be November last year. I have a very good working relationship with the Chief Minister. I have a very good working relationship with the Minister for Finance and I have a good relationship with the other Members of the Working Group namely Tim Sheridan and David Buffett from the political sphere. What I've found there, is there has been a general willingness to get on with the job and the fact that I am not prepared to take on the executive position is based on a recognition that I'm probably knowledge rich but time poor and I just cannot devote the resources in a time sense to doing the job properly. Mr Buffett is here most days, every day and that's why I felt that he could do the job and at any time he could call on me for advise and that advise would be forthcoming, as it would be from any other Member of the Working Group so I feel this is a perfect situation if we can agree on it today

MR NOBBS

Mr Deputy Speaker, Mrs Boudan and Mr Sheridan asked what the current Ministers thought of the current arrangements. In actual fact I'm the Minister responsible I guess for aircraft and what have you but the Chief Minister and I have worked very closely on this. I'm very happy with the way that things have progressed. There is a good working group in place as Mr Christian said himself, the Chief Minister, Mr Sheridan, Mr Buffett and myself on this forum. Mrs Jack at times and Members of the Public Service. There's been a learning phase. I don't think as was alluded to by Mr Brown earlier that nobody's really an expert on the airlines and I don't know, there's a lot of people interested in airlines but I don't know how many experts there really are in the whole world because they seem to fall over at regular intervals but the situation as I see it, Mr Christian mentioned the cost well he forgot that to have a person based and that's what I'm saying with the part time manager which is really the position based in Sydney where he lives, it's an ideal arrangement whereas somebody based here in Norfolk Island there's the cost of traveling and there's travel allowance and the like and these all mount up. It doesn't take long to get up to a grand or two grand per week I can assure you on that, so that is a cost that's overlooked at this stage but as I say, I'm happy with the present arrangements and I think that we are actually getting a grip on the particular problems and I think that I mentioned before the downturn in tourism. There appears to be some considerable light at the end of the tunnel from what I can hear from the tourism industry themselves but some places are very well booked and as I said before, some others are not. There are relationships that have changed from one airline and wholesalers and what have you to the other and some are down on what they were and some are definitely up, but there appears to be a good light at the

end of the tunnel at this stage and we need to drive it forward. The Tourism Minister has only had support from the chair and the board for several months which has not been a good arrangement and therefore with the new manger in there although they've done a great job, I know Jacqui Pye has done terrific work of her own volition all for nothing and it's been great but the professional side of promotion and the like we now have the guy on board and he's into it and I'm very confident that we will lift in the months ahead, but it's not just that particular reason. I think we are going along from a management perspective as well as can be expected from within the current air service and therefore I just can't, with all the arguments, I really can't support the proposal thank you

MR BROWN Thank you Mr Deputy Speaker the Minister for Finance mentioned a light at the end of the tunnel. I would like to suggest to you that, that light is a damn big locomotive and its about to run us down. The Minister did kindly raise the fact that during the life of the last Legislative Assembly I attempted to demonstrate to people that we had a big problem. I couldn't really get a lot of people to listen to me at the time and it's not at all rewarding to hear the Minister now say, oh that's what you were telling us a few years ago. But what I was talking about then was a very different decline to the one we are seeing now. I was not talking of the situation which would arise if the major carrier to the island closed. On another occasion I will speak about whether the carrier should have been closed but that's not a subject for today. The subject for today is to do something about that big locomotive with its big light that's bearing down and is going to run us over if we don't sort the problem out. This is a very sound suggestion for doing something about sorting the problem out and I think we've probably said enough Mr Deputy Speaker, I move that the question be put

DEPUTY SPEAKER Honourable Members I put the question that the motion be agreed to

QUESTION PUT

Could the Clerk please call the House

MR BUFFETT	AYE
MR GARDNER	NO
MR SHERIDAN	NO
MR NOBBS	NO
MR CHRISTIAN	AYE
MRS JACK	NO
MR T BROWN	AYE
MRS BOUDAN	NO
MR BROWN	AYE

DEPUTY SPEAKER The result of voting Honourable Members, the Ayes four the Noes five, the motion is lost

Mr Christian do you withdraw the next item on the Notice Paper

MR CHRISTIAN Thank you Mr Deputy Speaker, there's no use dealing with the second part

DEPUTY SPEAKER In that case, we move to item No. 1 on the Notice Paper

CARRIAGE OF MAIL TO AND FROM NORFOLK ISLAND

calling for tenders and going through the issues again and I would suggest that we may not get the same deal we are getting now Thank you

MRS JACK

Mr Deputy Speaker, I think it's good commercial sense in our current times if we can save money we should do it. I'm led to believe that we get this rate to New Zealand, a very good rate, and concern in the future would be if we are lucky enough to divest ourselves and bring in another carrier, would they be prepared to do it but I think in these economic times if we can bring a saving in of \$40,000, or \$50,000, as you know, those old corny adages, take care of the pennies and the pounds will take care of themselves but I think we've got to lead by example and if we are expecting the private sector to be more efficient and take on the proposal from the Minister for Finance with NSL then let's do the same and I'll support Mr Brown in this aspect

MR BROWN

Thank you Mr Deputy Speaker if the Minister for Finance is telling us that he is bound by a contract which cannot be brought to an end, to stick with the existing mail carrier from Norfolk Island to Australia please table the contract. If the Minister is saying that there is very competent advice from the Public Service which is advice which takes account of things that I've not even thought about, table the advice, but let me tell you a little about the difference between flying an aircraft from Sydney to Norfolk Island on the one hand and flying it from Norfolk Island to Sydney on the other hand. The flight from Sydney to Norfolk Island carries the fuel to get to Norfolk Island. It's pretty essential. It's also essential that it carry the fuel to get to an alternative airport, either 420 odd nautical miles to get up to Noumea or 560 odd nautical miles to get down to Auckland. On top of all of that it has to carry a variable reserve. Going back to Australia it doesn't have to travel 420 nautical miles to find an alternate airport or 560 if it chooses Auckland. Suitable airports are located far closer and notwithstanding that there are headwinds back to Australia the requirements for the carriage of fuel are simpler for a jet aircraft going back to Australia than they are coming out to here. Coming out to here the aircraft carries all of the passenger baggage and if Mr Nobbs has seen the average Norfolk Islander coming to the airport with his one or two trolleys overflowing with cartons and suitcases which are products of shopping sprees on the mainland he's understand that the weight of the baggage which is brought to the island on average per passenger is fairly significant. Mr Nobbs has the responsibility for air services, notwithstanding that the airline issue has been handled by the Chief Minister so I'm sure Mr Nobbs will know that you pay \$5 per kilo for excess baggage. Whereas QANTAS had an amount of discretion in the days of Norfolk Jet Express there's absolutely none, absolutely none, in terms of the Government Airwing. If you turn up two kilos overweight with your baggage you can expect that you'll be stung \$10 and if you turn up 20 kilo's over you'll be stung \$100. From Australia to Norfolk Island there are significant airfreight requirements. Significant. I don't have access to the figures, I can't say whether it's two tonnes per flight or more than that or less than that but it is significant and there is very little air freight goes out from Norfolk Island. I'm certainly heartened by the suggestion of the Minister for Finance that our visitors should have an allowance of more than twenty kilos for their flight back to Australia to encourage shopping while on the island but that hasn't happened yet and I hope that with the decision having been made that we will not have a special executive Member responsible for the air services, I hope that the Minister for Finance will ensure before the close of today that the issues surrounding excess baggage will be resolved. I don't know why the Public Service has advised the Minister that the mail should stay with Air New Zealand but with the absence of the Minister tabling that advice I would suggest to you all that it is poppycock. It makes absolutely no sense, for us to pay

MR NOBBS Mr Deputy Speaker Point of Order. I resent that imputation and everything else in that poppycock

MR BROWN I'm sure I could think of a different word

DEPUTY SPEAKER Mr Brown I will ask you to withdraw the word poppycock

MR BROWN Thank you Mr Deputy Speaker the word poppycock I will withdraw. It is absolutely lacking in common sense. I seek the support of Members to ensuring that the Government airwing has the benefit of the mail revenue between, that is the mail sent from here to Australia, the Government airwing already carries it from Australia to here and yes there are days when it will be offloaded. They'll be very rare with the Boeing 737 and will be rarer still if there comes to be an airbus A320 or an aircraft of that size, Thank you

MR NOBBS Mr Deputy Speaker I didn't want to go into detail about how much fuel the plane carries and the like, I mean I thought Members were fairly conversant with that sort of detail but my advise and I can't table it here because I haven't got it with me obviously, is that we maintain the current arrangements and I've accepted that advise, I accepted it when Mr Brown raised it at the last meeting and I believe that we should maintain that, thank you

DEPUTY SPEAKER Thank you Mr Nobbs. Is there any further debate Honourable Members. There being no further debate I put the question is that the motion be agreed to

QUESTION
AGREED

MR NOBBS NO

Mr Nobbs do you wish to have the House called

MR NOBBS Mr Deputy Speaker I think it was 8 to 1 and I will accept that as usual. It's not unusual Sir

DEPUTY SPEAKER Thank you Mr Nobbs. The motion is agreed to

PUBLIC SECTOR MANAGEMENT ACT 2000 - RE-APPOINTMENT OF DEPUTY TO MEMBER OF THE PUBLIC SERVICE BOARD

MR NOBBS Mr Deputy Speaker I move that this House, in accordance with subsection 11(1) of the Public Sector Management Act 2000, recommends that the responsible executive member re-appoint Leanne Schmitz to be deputy of the member of the Public Service Board appointed under paragraph 10(1)(a), for the period 20 August 2005 to 19 August 2007. Mrs Schmitz has been a deputy Member of the Public Service Board for the past two years and she's done a sterling job as all the Members of the Public Service Board have done and I thank her for her efforts and I ask Members to support her reappointment. She's agreed to her re-appointment and if Members see so fit I seek their support, thank you

SPEAKER Thank you. The question is that the motion be agreed to. Any further debate. Then I put the question

QUESTION
AGREED

The motion is agreed to.

FUEL LEVY ACT 1987

MRS BOUDAN Thank you Mr Deputy Speaker I move that this House requests the Minister for Finance to bring to the House at its next sitting a Bill to amend the Fuel Levy Act 1987 to amend subsection 8(1) by increasing the fuel levy to twenty five cents per liter effective from 1 October 2005. I realize the cost of fuel is running at a high and expect that it will continue to do so. I also realize that no time is a good time to introduce or increase fees so with this in mind I have opted to suggest this increase at a low 5 cents per liter. It does not create expenses within the Government Business Enterprises, namely electricity as that GBE is exempted from the Fuel Levy. When we take the figures for the Fuel Levy at the close of the last financial year and calculate an estimate on what we can expect over a further twelve month period with the proposed 5 cent increase we have an eleventh of \$1m, that is \$90,000. I would even suggest a review within six months for a further increase. I understand we are in need of \$3m at the very least and suggest that in bringing this motion we will be advancing at a rate of 1/35th. Indeed such a pace would go unnoticed in comparison to the flying leaps we need to be taking. Times are not good and if we are going to wait around until we think they are good or going to come good then we are simply not going to get anywhere. Our Minister for Finance has had the Fuel Levy tagged as from this financial year for the purpose of roadwork's and I move this motion for that purpose, Thank you Mr Deputy Speaker

MR BROWN Thank you Mr Deputy Speaker I'm not sure whether Mrs Boudan's purchased any fuel lately but 30 bucks in your tank barely gets you to the corner today. Fuel is at the highest price it has been in history in Norfolk Island. Sure it would be nice to have a few more dollars for this purpose and for that purpose but at a time when the economy is on its knees I think there needs to be a lot of careful thought before we add another 5 cents to fuel. For example what will the farmer think if we add 5 cents per liter to the price of his fuel for his tractor that doesn't go on the road and he pays the Fuel Levy at the moment. Will the fisherman think about the extra 5 cents that we are wanting to charge him for the fuel that goes into his boat and that doesn't even go on the road. He pays it on his truck that tows the boat up and down but he also pays it on the fuel that goes into the engine on his boat. If Mrs Boudan would like to try to sort out anomalies like those then I might be prepared to listen more closely. I'm not going to even waste five more words since I won't be supporting the motion

MRS JACK Thank you Mr Deputy Speaker, I admire Mrs Boudan and her efforts at trying to assist revenue raising on Norfolk Island but I must agree totally with Mr Brown and if I could have a \$30 fuel bill per week I'll buy three of your cars Mr Brown cos mine's over \$80 and yes it's a conflict of interest but it's also the effect, I think of a needless surcharge on an already crippled economy. I totally agree with Mr Brown Thank you

Chief Minister Thank you Mr Deputy Speaker, just in relation to this matter and not trying to pre-empt debate on the NSL matter later on today hopefully, I just wanted to raise the fact that a number of people in the community have drawn to my attention the difficulty that they have in accepting any change in the Fuel

MR BROWN They can always be suspended

DEPUTY SPEAKER The question is that the motion be agreed to Honourable Members. Does anyone wish to move an adjournment

MR NOBBS Mr Deputy Speaker, I move that debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

DEPUTY SPEAKER The question is that debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

QUESTION PUT

Honourable Members, the noes have it. In that case the motion is defeated

CONTRIBUTION TO COST OF MEDICAL EVACUATIONS

MRS BOUDAN Mr Speaker I move that the responsible executive member bring to the House legislation to amend the Healthcare Act 1989 to provide that any eligible member under the Act who is required to be transported from Norfolk Island by emergency medical evacuation other than by regular passenger transport shall contribute to the cost of the Medivacs. The cost of that contribution shall not exceed a sum equivalent to an airfare to the port where the medical treatment is to be provided and shall be payable for the patient and any Norfolk Island based escort(s). The cost of the airfares payable for the patient and the Norfolk Island based escort(s) to return to Norfolk Island is the responsibility of the patient and further that any Administration accounts recently raised and rendered to individuals in regard to medical evacuations be reviewed in accordance with this motion. Mr Deputy Speaker since this Government has been in office, that is, ten months, we have in our system particular instances where individuals have found themselves in need of urgent medical evacuation from Norfolk Island. The fact that they are contributors to the healthcare system, coupled with the realization that there is no coverage in cost for medivacs for recipients from under the healthcare system is indeed most disturbing. More so when the recipient becomes subject to the actual cost of the Medivacs. Such costs beginning at \$21,000 and depending where the Medivacs comes from the cost runs as high as \$40000. it disturbs me to realize that we presently have instances here these huge costs have been made the responsibility of the recipients and it is on that basis that I move this motion, thank you

MR BROWN Mr Deputy Speaker I certainly admire Mrs Boudan for bringing the motion forward because we would all like to give things away whenever we could. It gives me no pleasure to authorize a medical evacuation and then to have to check that a bill has been sent out and I can tell you Mr Deputy Speaker I do need to check it because generally it is not sent out until I check three or four times but I wonder what Mrs Boudan is really asking us to do. Is she wanting us to put the hat around amongst ourselves and pay the bill each time one comes up. Is she wanting the hospital to pay. At present it comes out of social services and if Mrs Boudan is wanting Social Services to pay then I would like her to tell us where we should get the extra money because Social Services last year from recollection ran a couple of hundred dollars over budget, and if we are proposing to adopt Mrs Boudan's suggestion we will need to put an extra couple of hundred thousand dollars into this years budget so it's one thing to say let's give a few goodies away, it's another to understand where the funds are going

to come from. It's also important to ask the question of just who are we talking about. We seem to be talking about eligible Members of the Healthcare fund. By that I presume that Mrs Boudan means people who are contributing to the healthcare Fund. Now where we have a Social Service beneficiary who is entitled to HMA benefits, they are already covered. But if we have a Social Service beneficiary who doesn't received HMA benefits, they might nevertheless be able to seek exemption from the requirement to be a Member of the Healthcare Fund on income grounds. What would we be saying about that sort of situation. If that person wasn't a Member of the fund because they didn't pay the levy would they still get the Bill but the person who contributes his \$500 per year to the fund wouldn't. what are we saying of our visitors. Now we encourage the visitors to ensure that they have travel insurance that will cover them for the cost of medical evacuation if that is necessary. I'm not aware that every travel insurance does provide that cover but I certainly am aware that not every visitor holds travel insurance in any event. As an example if a person is quite elderly or if a person has a pre existing condition, when they fill out the form for the travel insurers the request for the cover might be denied, so do we say to those people, sorry, we'll look after everybody else but we won't look after you so don't come. Or how do we view that. And how do we come to a conclusion that if a person leaves Norfolk Island on a stretcher with two escorts, they should pay the fares for the two escorts and pay for a single seat for themselves although we will be paying for nine seats on the aircraft to pay for the space taken up by the stretcher. How do we balance that against the person who is taken out on a charter flight who has perhaps two doctors on the flight and perhaps two nurses but because they came from Australia under this proposal the patient gets no charge for them and the patient just pays for the charter flight, the equivalent of just one airline seat. And then we've got to ask the question of what rate does that airline seat get charged. Does it get charged at the cheapest discount. Does it get charged for the full economy fare. Does it get charged with the full business class fare because they are all fares which apply. Now if Mrs Boudan had moved that the liability of a patient be capped at say \$5,000 I would have far more sympathy for her motion then I have now. I will not support the motion in its present form because I think it needs a lot more thought particularly in relation to the question of just where will the funds come from. I won't oppose its adjournment if Mrs Boudan wish to adjourn it today because what she's trying to achieve is certainly worthwhile but it needs a lot more thought before it would be appropriate for it to be considered by way of a yea or a nay Thank you

MRS JACK Thank you Mr Deputy Speaker, I've had more problems even if Mrs Boudan were to amend it to a capping situation. My concerns being just where the rest of that money is coming from and I know, and I don't want to pre-empt debate but there is another issue also being raised but I would have a problem with this full stop Thank you

MR D BUFFETT Mr Deputy Speaker, the real substance as I interpret this motion relates to the last paragraph, that is really where individuals have of recent times received significant accounts. Something between \$28000 to almost \$40000. that situation is exceptionally difficult a) for individuals to find that sort of money and b) especially if they have been significantly ill and they would have been significantly ill if they are being medically evacuated. The strain of that situation upon their illness is multiplied and so I interpret this motion as to try and find a remedy for that and I'm in favour of trying to find a remedy for that. Mrs Boudan has said let's put a cap on it by saying that you only need to pay in those circumstances for what might be a normal airline ticket away from the island and for an escort if that is the situation. That may well be and Mr Brown has pointed out some technicalities about that. That may not be as clearly stated at this moment as it may be could because of various classes of fares and the like, but nevertheless there is talk about making some contribution and I think that,

that may well be reasonable but of course if in fact medical evacuations by whatever means turns out to be in the vicinity of \$28000 to \$30000 and the individual is asked for only one or two airfares which may be in round figures \$1000 to \$1500 where does the balance come from and the balance is significant. I would have thought that later on and I'm not trying to pre-empt debate on the motion of a later time, but there is to accompany this as I understand to be introduced by Mrs Boudan an amendment to the Healthcare Levy which is designed to bring in if my figures are correct, something in the area of \$100 per person per annum. Additional into that fund. And I understand although it is not clearly stated in all of this, that, that is an endeavour to meet the difference between what people may pay when they go on a medical evacuation if they only pay for one or two seats and the total cost. However that all marries together I don't know. The cost is variable each year but obviously it is some attempt to do that and I think it is a worthy attempt. Whether it needs refining or no is another matter but I think that is a worthy attempt so to come back to this original motion, I would certainly support it, although I see the difficulties in the way it is framed at this moment. It does also raise the question that if in fact we do have a scheme where there is a public contribution to a medical evacuation scheme, whether then you have to also ask each individual who travels to make a contribution too. Maybe there is a case for that, maybe there isn't. It is a matter in that context of funding it by two streams, one is the individual funding when you actually put on a stretcher or the like and the other is to make a \$100 contribution each year and whether you wanted to continue to do that remains to be examined. I probably would prefer that this motion be paused at this movement, with some further work to be done in respect of it and then brought forward again. I see it linked however to the Healthcare Levy arrangement, very clearly and unless you can have some method in place to meet that gap then it's cause diminishes but we do need to address this matter. Mr Brown is very right. You can't expect that we just go on and not address it and it needs to be paid for in some way. What I am in favour is putting in place some method that allows us to meet those extraordinary costs when they arrive, Thank you

MR BROWN

Thank you Mr Deputy Speaker at earlier times I had suggested that perhaps this could be funded by adding \$5 to the Departure Tax and by adding \$100 or \$120 to the Healthcare Levy. That suggestion was not acceptable to the majority at the time but Mr Speaker is quite correct. Mrs Boudan has a motion seeking to amend the Healthcare legislation which will be dealt with later which actually picks up the first part of that suggestion at the rate of \$100 per year of increase. It doesn't pick up the question of the visitor and I'm the first to agree that the \$30 Departure Tax is already quite high. I'm the first to agree that we should be very careful about saying oh well, notwithstanding that it's going to a good course we'll add another \$5 to it. Members will be aware that I have sought information from the Administration, I've not received it as yet but I expect that I will receive it shortly, as to just what would be the financial impact of increasing the price of a packet of cigarettes to mainland prices. There's an argument that a health tax or a sin tax on cigarettes to bring them to mainland prices is quite a valid way to look at funding something such as this. When I received the information about the potential impact of increasing cigarette prices I propose to ask for similar information about increasing the prices of the cheaper liquor to mainland prices but in an environment where just as a departing visitor can buy a low priced cigarette for delivery airside of the airport now, would be able to buy his lower priced liquor but for delivery airside at the airport. It may be that those things between them are capable of providing the funds but we need to be cautious even then because the Minister for Finance may have had his heart set on a few of those things for another purpose and we can only make an increase once and it's got to go in the area which the majority of us feel is the most deserving. I'm very sympathetic to an argument that the cost of a medical evacuation is a high cost. I'm also very conscious of the fact that the demand for such evacuations will continue to increase. As the population ages more

things will happen to people, as medical science progresses more and more the medical specialists on the mainland will say you must get that patient to me immediately because it's only by getting that patient to me immediately that I can do my job and as best I can avoid the risk of being sued for medical malpractice if I tell you that it'll be okay to put the people on the next plane so there's a lot of issues that require thought. The final paragraph of Mrs Boudan's motion deals with people who have recently received bills. I don't recall there being any such people in the life of the last Legislative Assembly and of the bills that have been issued in the life of this Legislative Assembly I think there would have been three or four that would have been on the island and one who did not return to the island choosing to go and live somewhere else. If at the end of the day the House decides that it wants to put a scheme in place and if at the end of the day the House decides that it wasn't to reimburse the people who have made payments during the life of this Legislative Assembly well that's a matter for the House but it doesn't matter whether that decision is made today or in a months time a person who is being reimbursed will be reimbursed if that's the decision,. Thank you

MR NOBBS

Mr Deputy Speaker I commend Mrs Boudan for bring this issue forward. I know that the Minister responsible has been working on it but she's actually put it on the table and we really have to address it. Now mention was made earlier by the Minister for health I think it was that in an earlier debate, I think it might have been in reply to a question, how this all came about. Well it all came about very simply. It came about in 2001 about midway, and it came about when Minister John McCoy came up to my place, I was working on the fence on the hill there and I'll never forget it, and he comes up and he said the Australian Government cannot supply a Her and we've got a girl who I grew up with who is desperate in hospital and he said they can't supply it because they were involved in Afghanistan or Dili or some such place at the time and they had no planes and he said do you know there is a policy in place that what we are supposed to do is go to a private organization first and get quotes and if we can't get one the RAAF will come in. So that was it. And I said, well I didn't really know that. It seemed they came in at the drop of a hat sort of thing. Now that was the policy at that point in time. It had nothing to do with the Norfolk Island Government or anything. That was the policy in place. Their planes were being utilized elsewhere and whereas it had been very convenient in the past to come over and do evacuations and training exercises, they had training coming out of their ears at that time so they didn't really want to do any additional training and they didn't have the planes to do it so we sat down, I remember it clearly, I said right oh, we have to do it, the doctors whoever they were at the time had recommended full procedures. We'll charge it up and we were a little better financed at that stage I must admit, we'll charge it to the Government but we must bring a policy in place very quickly. Minister McCoy to his credit worked very hard with the Director of the Hospital at the time and they brought a policy forward. By that stage the Ninth Legislative Assembly had begun to unravel. There was no decision taken on that proposal that I can recall. There was discussion but I don't think there was any decision. It was never carried through to the next Legislative Assembly and when Mr Brown came along in our Legislative Assembly there was still no action done on it, so I mean this has been going on for a long time, and the problems that we have now are that we had a policy in place where people weren't required to pay and then this Government changed it to one where we had to pay and in all honesty it's really brought the thing to a head and we have to do something and we have to do it relatively soon. If this motion, it has difficulties I know because I remember that even with the medical evacuations by the RAAF when they were doing it as a training exercise ten years or more ago, there was a young kid playing football here that got hurt and he went out on the RPT flight and I think we had to pay for six seats on that plane because he wasn't covered. He was covered by nothing. If you went out on a RAAF it was fine, you were home and hosed. And that's the sort of thing now, that we have to make it a fair system

and look after those people who actually go out on RPT and are actually cheaper for the system anyhow then go out on a medivacs so there's some work to be done on this and I'm sure Mrs Boudan and Mr Brown can put their heads together and come up with a more appropriate arrangement before the next meeting. Is that possible. Thank you

MR SHERIDAN

Mr Deputy Speaker I think all this discussion on this issue has really highlighted the need for this situation to be resolved. As you are all aware I've been harping on this for a couple of meetings now and it is interesting to hear Mr Nobbs say that during the Ninth Legislative Assembly they introduced a policy where the Government would pay. Nothing was done in the Tenth Legislative Assembly but the Eleventh Legislative Assembly, our Assembly, it seems the Minister 's have now introduced a policy that the patient will pay,. The funny thing is that I haven't seen the policy and I've asked for a copy and I haven't seen one so I don't know where this has come from. Is it a Government policy or a Minister's policy. I think it's a good motion to bring forward because it brings discussion and I agree that it's not the be all and end all of the situation I think it does need to be refined and as everybody is talking about the last paragraph, specifically in there. In my way of thinking with the planning of Medivacs if there is a policy made by a previous Government and it hasn't been overruled or overtaken well that policy surely must remain extant so in retrospect all those medivacs that have been flown during our term should surely have been paid for under that outstanding policy, trouble is. I can't find that one either so I'm starting to doubt whether in fact there is a policy and this was the difficulty. Medivacs are paid for out of the Social Services area but one of the objects of the Healthcare Act is to establish a healthcare Fund for any catastrophic medical costs. I can't think of anything that would be more catastrophic then the cost of a medivacs so I think they should be linked and there should be a lot of work done to link medical evacuations into the Healthcare Act and there should be clear guidelines and policies laid down so that not only the Government knows what going on and our hospital staff but so that the Members of the public are aware and if they can take out private insurance to cover what they are up for, then they can. At this point in time nobody knows who is responsible for what so in that sense I believe it's a good motion to bring forward. I would like to see it left on the table but I really believe it needs to be addressed as an urgent matter Thank you

MR NOBBS

Mr Deputy Speaker I don't think a lot of our policies, and I've criticized myself included, other Governments and Ministers and Legislative Assembly's that we don't have more written policies laid out that go from one Legislative Assembly to the other. There's a lot that comes out from discussions between Members of agreement at informal discussions and the like. I don't know whether, I'll have to look back in my records to find out whether there was some sort of formal arrangement put in place at that time, but it was our belief as a Legislative Assembly and I think Mr Brown will agree with that, that at that time, until we got a policy going it's not. The change now is, and I appreciate what he has done, in putting the bills out and some of them went out in my name as well I understand, is that we are bringing it to a head and we should look ahead and do it very quickly. What Mr Sheridan just said is perfectly correct. We need to get on with it and do something. Thank you

MR BROWN

Thank you Mr Deputy Speaker Mr Sheridan perhaps doesn't have the misfortune of having a lot of knowledge about these issues. But there's very sound reasons for transport costs not being covered by the Healthcare Fund to the extent of more than \$200 per year and it's because people were ripping the system off. This is what you have to be careful of. The minute you become too generous people will turn around and kick you in the backside, they will plan their holidays to match with their illnesses, I'm not suggesting that they'll plan their holidays such that they want an executive jet to cart them there, but I'm suggesting that there are

no shortage of people that come fairly close to that. And that's the reason that transport costs generally are covered by the Healthcare Fund only to the extent of \$200 per year. The policy that the Minister for Finance spoke of which was set down by an earlier Minister Mr McCoy, wasn't necessarily a written policy. It was certainly a short term policy. His intention at the time was that he would cover things for a few months while he sorted the future out. As it happened it was all too hard for everyone because it was a difficult problem to fix. Perhaps the Tenth Legislative Assembly should be criticized for not having sorted it out in their time but I certainly don't propose to be criticized for taking a view and consulting with my Government colleagues that there was no basis on which we could continue raiding the Social Services pot because that's what we were doing, in order to fund these evacuations without even doing a thing about managing them. And we've had proposals come from different places. From the Public Service included but they all involved working out what it would cost over the last few years and just increasing charges. There was no effort being made at all to manage the costs. And managing them was a very important part of what we are talking about and that's why I suggested to Members that we should be engaging a professional medical firm that manages these things for travel insurers so that we minimize the cost of the evacuations. That's why I've suggested that we need an approved medical stretcher, based in Norfolk Island that could be put on a scheduled service so that where-ever possible, a patient who has to be moved by stretcher can be moved on that stretcher on a scheduled flight at a much lower cost but I don't propose to sit here and just be criticized over the issue. I have faced up to it. I have made suggestions which have not yet been found acceptable. I'm happy to make them again. But what I say to Mrs Boudan and what I say to each of the rest of you is, we're not here to be Santa Clause. Any time we want to give the community's money away, we've got to decide what other expense we are going to cut out or we've got to decide how we are going to raise the money. We can't just continue to give things away without facing up to the facts of life, Thank you

MR SHERIDAN Thank you Mr Deputy Speaker just in reference to the Minister 's last comments. Thank you Minister for enlightening me about the cost of travel and the expenses that occur and any criticism that you may have perceived is meant to be constructive criticism. I hope you don't take it in any other sense, but I really believe that the discussion between yourself and myself has really outlined that there is an urgent need for this scenario to be rectified so with saying that I think we should leave it on the table and hopefully the Minister responsible will do some urgent work on it with his willing assistant and bring it back to the House, Thank you

MR BROWN Mr Deputy Speaker, I move the adjournment

DEPUTY SPEAKER Thank you Mr Brown. I put the question that the debate be adjourned and resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION PUT
AGREED

Thank you. That motion is adjourned. Mr Speaker would you care to resume the chair

SPEAKER Thank you Mr Deputy Speaker. The hour is just about 1 o'clock would you like to pause now for an hour for lunch

MR BROWN Mr Speaker I believe that my next motion could be dealt with within five minutes and I wonder if Members

SPEAKER That's an undertaking is it Mr Brown

MR BROWN Mr Speaker on my part it will be very fast. I wonder if one and a quarter hours would be appropriate so that Members can attend to any paper work and make sure they can eat

SPEAKER Are we comfortable that we look to Mr Brown's motion with a five minute indicator and then we pause at 1 o'clock. You seek leave Mr Brown

MOTION BY LEAVE - SEIZURE OF "BOOM BOXES" IN MOTOR VEHICLES

MR BROWN Mr Speaker I seek leave to move the motion which is printed on the Programme in my name

SPEAKER Thank you. Is leave granted? Leave is not granted Mr Brown. In that context Honourable Members, leave is not granted for that matter to be brought forward.

SUSPENSION

We will pause for lunch and we will return at a quarter past two Honourable Members. We suspend

RESUMPTION

We reconvene after lunch. We are at Notice No 5

PUBLIC MONEYS (AMENDMENT) BILL 2005

MR NOBBS Mr Speaker I present the Public Moneys Amendment) Bill 2005 and move that the Bill be agreed to in principle. Thank you Mr Speaker. As Members are aware the Government has from time to time had problems with debt and the proposal is to finalize and institute a policy which will encourage some long term resolution to the problem. The finalize the policy Mr Speaker, there is a need to provide some encouragement and thus this Bill is introduced. The Bill provides that the Government through the responsible Minister with the ability to institute a system of encouraging early payment of bills with a system whereby a rebate is offered and the rebate may be up to 5%, on the other hand the bill also offers the opportunity for Government to institute where late payment ask penalized by requiring interest to be paid. Interest is proposed at up to 12%. The Bill requires publication of the rates applicable in the gazette prior to the implementation and also inclusion once implemented on each bill as is delivered the proposed amendments to the Public Moneys Act would be implemented in the concept of a revised debt policy which would include not only those amendments to the Public Money's Act as proposed but also normal expected provisions such as those relating to hardships and the like. It has been said that the Administration have in the past struggled with slow payment of bills. Whilst this has improved considerably of late, due to excellence work in the debt recovery area, there remains a need to encourage awareness and value in paying, if not early, at least on time. Mr Speaker out of interest in relation to this, the early payment arrangement, the rebate in Victoria is 2% and the interest payment is 11 ½%. Section 22b of the Bill is to bring instrumentalities in so that they can benefit from imposing statutory interest also. It is not proposed that this will be implemented immediately, it gives the Government as

they develop a policy, a means of instituting both those two arrangements. Thank you. It would be my intention to leave this on the table for a while Mr Speaker

MRS JACK Mr Speaker, I see quite a good effort in moving this motion forward. At the moment it has my support. I have spoken to the Minister about my concerns over the postage issue. That it's to be delivered personally to the person and I'll quote directly from the Bill if I may "in this section the date an account is rendered is the date it is delivered personally to the person to whom it is addressed, or if sent electronically by facsimile or electronic mail to the person's facsimile number or email address the date it is so sent or if sent by post, twenty four hours after being posted". My concern is over the date stamping of all bills sent out by the Administration. The Minister has said that, that matter can be addressed by purchasing of the appropriate machinery. I'm not sure how much that would cost but apparently there's space and ability for the post office to take that on board. I think as I said, it's a way forward into just trying to control as the Minister has said, some of the problems we have over bad debt within the Administration and to encourage people by means of a rebate for early or more prompt payment so at this moment it has my support but I'll listen to Members of the community who will no doubt get back to me of their concerns in the intervening month, Thank you

MR NOBBS Mr Speaker with regard to the franking arrangements, we have had the Postmaster some time ago look at how we can do that. It was actually in relation to the service of summons, I think by post. I haven't got anything back as yet but it's not a huge machine that we require and I would hope that there would be some that would handle our small number of mail requirements. I would hope there would be one available that would handle that/ Thank you

MR GARDNER Mr Speaker I just have one query in relation to the Bill and it goes back over a number of debt and reclaiming matters that have been raised from time to time in the House and I think and I stand to be corrected here but the advice seems to be consistent that those that have difficulty paying bills are consistently the same group of persons generally. Is this just going to compound further a problem by those same people now being burdened with the extra percentage for penalty

MR NOBBS Mr Speaker it's been said that, that they are the same ones that are recurring all the time and I guess that in a sense that's true, but the list that I've seen since I've been operating it, fairly effectively the debt collection, the list is fairly extensive and what I believe we need to do is look at least trying to get them into the paying on time side of things but there is a welfare component to the debt collection now and it's not proposed that, that will change. That will be in but we'll formalize it and people will be able to... one of the problems that I see and I've seen it for some time now is that the actual interviewing of people and where it's done and those sort of things, I think it should be some sort of reasonable area where they can be interviewed in confidentiality and those sort of things. It's difficult at the present time in the layout of the Administration. I know they try their very best but those sort of things need to be addressed as well.

MR GARDNER Mr Speaker I thank Mr Nobbs for that but just further pursuing that point, do I understand then that those persons who are genuinely facing hardship as they do now and enter into repayment schedules and arrangements with the Finance Manager or the Finance Branch will not be penalized with the percentage penalty rates if they enter into those generating arrangements

MR NOBBS Mr Speaker that's the proposal, as long as they are fair dinkum. That's the proposal

MRS BOUDAN Thank you Mr Speaker. I question if we have the resources to cope with this in the Administration at this point. I doubt that the computer system that we have will be able to work this

MR NOBBS Mr Speaker at the moment that is a problem in dealing with some of the bills. Some of the bills can be done under this arrangement and that's why it's not coming in straight away. We have to cover our basis in relation to that but we need to get something like this in place, a policy out so that the Legislative Assembly will tick off on it and that will give us time I believe to bring in the necessary computerization and other support mechanisms like some sort of franking arrangement to cover it. I won't be even suggesting to the Government that they bring it in if we can't run it, but we will be able to given time.

SPEAKER Thank you . Further debate. No further debate. Mr Nobbs

MR NOBBS Mr Speaker, I move that debate be adjourned and the resumption of debate be made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you Mr Nobbs. I put the question that the resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION
AGREED

Thank you. That motion is adjourned.

DECLARATION OF URGENCY TOURIST ACCOMMODATION (AMENDMENT) BILL 2005

SPEAKER Honourable Members I report that the Business Committee under standing order 158 had declared that the Tourist Accommodation (Amendment) Bill 2005 shall be declared urgent and its passage expedited

TOURIST ACCOMMODATION (AMENDMENT) BILL 2005

MR GARDNER Mr Speaker I present the Tourist Accommodation (Amendment) Bill 2005 and move that the Bill be agreed to in principle. Mr Speaker in tabling the Explanatory Memorandum as is my practice I'll read the explanatory memorandum into Hansard. The purpose of this Bill is to rectify some apparent anomalies and take account of the current situation whereby the provisions requiring a review of quotas is seen as onerous and unnecessary. The inconsistency between subsection 8(6) that has absolute restriction upon the transfer of a quota and section 15A that allows such a transfer in accordance with a resolution of the Assembly is resolved by including reference to section 15A in subsection 8(6). Subsection 8B(3) that requires a 2 yearly review is repealed as it is considered unnecessary to hold such a review this year and in any event as a review can be done at any time if the Assembly so recommends it is considered unduly restrictive. Clause 6 of the Bill makes it clear that the current review that is due need not be carried out. Subsection 8B(4) is amended to take account of changes to personnel and to allow for a representative of the Tourist Bureau to be a member as previously recommended by the Gatekeepers Working Group. That explanatory memorandum is dated August 1, 2005. Mr Speaker in talking to this Bill at the MLA's meeting on Monday morning there were also a couple of other

issues raised in relation to the quota and some of those relate to the sinking lid provisions of the quota arrangements that are in place, for example, if a property wished to get out of the industry and for example, turn a tourist accommodation unit back into a dwelling house there is no provision within our mechanisms under the Tourist Accommodation Act to be able to transfer or on sell those registrations or quota positions to another property. That is something I believe that we probably do need to attend to but is something that arose in the last Gatekeepers report where I understand that there were somewhere in the region of six and it may have been more, tourist accommodation units that basically had ceased to exist and so the quota had in effect been reduced by that number. In the future to avoid that I think some consideration should be given to amending legislation but the legislation as we have it today is primarily designed to deal with the question of the Gatekeepers Working Group establishment and the two year review and unless Members are inclined to think that there is a pressing need to increase the quota in our sad economic environment that we are currently operating in, I would propose the matter be dealt with to finality today as was indicated with the urgency provisions attaching to the introduction of the bill. The basis of this was taken to the executive members in a very good paper that was developed by Mr Jason Adams, the Tourism Administration officer which gave an excellent overview of the difficulties that he encountered as I guess the principal officer with carriage of the tourist Accommodation Act where he had recognised that things had changed. Not only was the economic environment in a poor state that obviously in his view warranted the establishment of the Working Group but he had also picked up those other anomalies with the change of personnel and the names that were attached to the Membership of the Gatekeepers Working Group and I wish to commend Jason Adams on his review of the legislation to ensure that it remains workable and for bring those to our attention which was at that executives meeting endorsed by Members of the Legislative Assembly for the development of the legislation and at that time, certainly I was of the understanding that the executive member fully supported the urgent dealing with of the matter. In conclusion I commend the bill to the House

MR BROWN Mr Speaker as Members are aware I have a financial interest in a tourist accommodation house. I appreciate that this bill does not deal with any individual tourist accommodation house but I will nevertheless abstain from debate and abstain from voting

SPEAKER Any further debate Honourable Members. There being no further debate I put the question that the Bill be agreed to in principle

QUESTION PUT
AGREED

MR BROWN ABSTAIN

The Bill is agreed to in principle. Mr Brown I have your abstention

We move now to the detail stage. Is it the wish of the House to dispense with the detail stage. We dispense with the detail stage. I seek a final motion

MR GARDNER Mr Speaker I move That the Bill be agreed to

SPEAKER Any further debate Honourable Members. There being no further debate I put the question that the Bill be agreed to

QUESTION PUT
AGREED

MR BROWN ABSTAIN

The Bill is agreed to

ROAD TRAFFIC (AMENDMENT NO. 2) BILL 2005

MR NOBBS Mr Speaker I present the Road Traffic Amendment No. 2) Bill 2005 and move that the Bill be agreed to in principle

SPEAKER Thank you. The question is that the bill be agreed to in principle

MR NOBBS Mr Speaker the Bill has been prepared at the recommendation of the Road Safety Committee to reduce the effect of the confiscation penalty in section 40 of the act and make provision to better enable the policy to deal with various forms of driving offences where drivers are a public nuisance or may put people's lives in danger. In particular the Bill will remove from subsection 40(2) the mandatory penalty of vehicle confiscation for performing wheelies and drag racing and simply empower the court to order confiscation. The bill also enables the police officer to retain or impound a vehicle where the driver had been driving dangerously, appears to be under the influence of drugs or alcohol, appears to be unable to control a vehicle or where the vehicle itself appears to be unroadworthy and in unregistered or is damaged and the driver cannot give a satisfactory explanation for the damage or the vehicle appears to be stolen or the driver is not authorised to drive. The bill provides that an impounded vehicle cannot remain impounded for more than seven days unless the magistrates order otherwise but a vehicle must be impounded in a place set aside for the purpose by the policy and it is an offence for a person to remove a vehicle from the pound. That was the explanatory memorandum. As you will recall there are provisions in the Road Traffic Act that after two strikes to have the vehicle taken off the particular offender and this was after it had gone to court. It was a long convoluted arrangement. It was felt there was considerable concern from within the community as to the ability to impound or to actually take the vehicles off the particular drivers and the matter was put before the Road Safety Committee which as you saw from this morning, the regulations were and it is now a formal organization and working very hard actually and there are other issues to follow this which are being worked on by the Road Safety Committee but this is the first one, is to take out the anomaly which was seen by the community and also the police in relation to the taking away of a vehicle from a driver after two offences, Thank you

SPEAKER Thank you . Further debate. No further debate. Mr Nobbs

MR NOBBS Mr Speaker, I move that debate be adjourned and the resumption of debate be made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you Mr Nobbs. I put the question that the resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION
AGREED

Thank you. That motion is adjourned.

LEGAL PROFESSION (AMENDMENT) BILL 2005

MR GARDNER Mr Speaker I present the Legal Profession (Amendment) Bill 2005 and move that the Bill be agreed to in principle.

SPEAKER The question is that the Bill be agreed to in principle

MR GARDNER Mr Speaker the Legal Profession Act 1993 was gazetted on the 6th May 1993, and on the 13th May 1993 part one and sections 45 and 46 were commenced. Those were preliminary sections including definitions and interpretation and the commencement power and the power to make regulations. On several occasions discussions have been held with the Law Society of the Australian Capital Territory which as anticipated by the Act is the body that would be most appropriate to have an involvement with Norfolk Island in the regulation of matters concerning legal practitioners. With pending moves toward the uniform regulation of practitioners in the mainland states and territories it was considered prudent that the Act be brought into force and seek to avoid some of the impositions of the uniform law that would impose upon legal practitioners in Norfolk Island a burden that may well preclude their continuing to practice, however, in order to do this it was clear that some change is needed to be made to the Act which is now some 13 years old. Discussions have been held with the Law Society of the ACT which has agreed to take on the role of supervising authority for the purpose of ethics and discipline and discussions were held as to the appropriate changes to make to the existing legislation to enable this to take place. The proposed changes are intended to allow a ready acceptance of and working with the Law Society to enable Norfolk Island practitioners to continue to enjoy the independence of local admission while still being subject to a common ethical and disciplinary standard. It is intended that rules will be made for the admission of Legal Practitioners that will make special provision for local practitioners and regulations will also make provision for audit and general practice. The Bill makes several changes to up-date the legislation by making provision for recognition of "Senior Counsel", the likely delay in bringing in provisions for professional indemnity, and extending the class of auditors of trust accounts so that practitioners can engage their own qualified auditor provided there is an arm's length relationship. The principal changes are intended to enable the Law Society to receive complaints of misbehaviour and where necessary to deal with them through the Professional Conduct Board. The ethical standards that Norfolk Island Practitioners will be required to follow will be those applicable to ACT practitioners and ultimately serious matters will be dealt with by the Supreme Court. Mr Speaker just continuing in my introductory debate in relation to this Bill. I probably need to make it clear after reading the explanatory memorandum so that it doesn't appear that for some reason Norfolk Island practitioners are not well behaved. In my years on the Legislative Assembly and in the various roles that I've held in those Assembly's, in being responsible for legal matters in the island I have not received to date a single written complaint, about any legal practitioner on Norfolk Island in the way they practice. I just need to make it clear that it is not a daily occurrence within Norfolk Island. It is merely designed to be the safety net and it's about the accountability and the transparency of the professions. I know that in the past there has been moves, demands if you like, that we look at a number of other professions on the island as far as standards whether it be accounting, in line with those who are required by Australian registrations for Accountants, whether we move into some of the trades like the building industries and things like that, however, as the explanatory memorandum states, in 1993 this

legislation was passed, the Legal Profession Act and only parts of the provisions were commenced at that time, and nothing further happened. For the want of having the oversight of one of the Law Societies and as the explanatory memorandum talks about, that being identified as the ACT. Mr Speaker, it's also important to re-emphasize the fact that this matter of the uniform legislation as talked about in the explanatory memorandum has been a matter for a number of years before the Standing Committee of Attorneys General of which Norfolk Island does participate in from time to time, about the need for uniform legislation to be developed across the states and territories of Australia where legislation is not in force or working and so that is again, another reason why this matter has been brought to the Legislative Assembly for the necessary alterations and obviously a need to commence a planned approach to the commencement of the provisions of the legislation to meet the demands. As far as the dollars and cents impact of the legislation I am unable at this stage to be able to quantify what the impact would be until the matter is tested obviously, with a complaint that's laid and the arrangements with the ACT Law Society is that they will recover those costs from Norfolk Island if in the unlikely event I would hope that any complaint was laid against a Norfolk Island practitioner. That finishes my introductory debate on the matter and I look forward to any input from Members of the Legislative Assembly as I'm sure I've already had some preliminary discussion with some legal practitioners on the island about the provisions and the commencement of the remainder of the provisions of the legislation but as I said, I'm sure that I will get further representations from legal practitioners on the island while this sits on the table. Thank you

MRS JACK Mr Speaker, I was just wondering would the local practitioners have to register within the ACT or would they just keep it here and how would it go

MR GARDNER Mr Speaker the rules will be developed for the admission of local practitioners within Norfolk Island so there won't need to be enrolled in the ACT. It is simply just using the ACT Law Society's disciplinary oversight body in Norfolk Island.

MRS JACK And the funding should anything go wrong, they would be seeking funding from here

MR GARDNER Cost recovery basis, that's right, yes, from Norfolk Island

MRS JACK To the solicitor or the practitioner

MR GARDNER Mr Speaker through you, to the Law Society in the ACT

MR NOBBS Mr Speaker the original Act was passed in 1993 and as the Chief Minister has said there were some hold ups and there has been calls for professional organizations, not just lawyers, to be regulated on the island here. I don't think any professional people that I know are against that type of activity and I would suggest that if it can be done fairly simply as this seems to have been done, that the other organizations would probably be quite willing to be part of such a system Thank you

MR BROWN Mr Speaker the Legal Profession Act was drafted as has been said, quite some time ago. It was drafted by one draftsman who thought it was pretty good. Another draftsman followed him, and that draftsman said, oh you

can't make this work. And largely for that reason it has sat in the file for the period since. As Members are aware I do practice as a solicitor. I have no difficulty with the proposed legislation. I have no difficulty with the comments which were made by Mr Nobbs because it is only by providing legislation such as this that some businesses on Norfolk Island will be able to obtain the insurance that they would like to hold. I'm not saying that, that's the case here but it is the case in relation to some other businesses and professions. I expect that some of the local legal practitioners will form a view during the next few weeks as to whether they feel this legislation is the appropriate legislation or whether they would like to see the proposed Commonwealth legislation adopted by us. That's a matter that would be dealt with at the time but it's good to see that after 13 years or so, the draw has been opened and the Chief Minister has done a good job in presenting the bill in an understandable form and it would be a worthwhile bill to have considered by the House

SPEAKER Thank you . Further debate. No further debate.
Chief Minister

MR GARDNER Mr Speaker, I move that debate be adjourned and the resumption of debate be made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you. I put the question that the resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION
AGREED

Thank you. That motion is adjourned.

DECLARATION OF URGENCY HEALTHCARE LEVY (AMENDMENT NO. 3) BILL 2005

SPEAKER Honourable Members I have to report that the Business Committee under standing order 158 had declared that the Healthcare Levy (Amendment No 3) Bill 2005 shall be declared urgent and its passage expedited

HEALTHCARE LEVY (AMENDMENT NO. 3) BILL 2005

MRS BOUDAN Mr Speaker, I present the Healthcare Levy (Amendment No 2) Bill 2005 and move that the Bill be agreed to in principle.

SPEAKER The question is that the Bill be agreed to in principle

MRS BOUDAN Thank you Mr Speaker. My reasons for bringing in this bill is to deal with the costs involved when recipients who contribute into the Healthcare Scheme find themselves in need of urgent medical evacuation. I respectfully ask that this Bill pass through all stages at today's sitting. The purpose of this bill is to bring about an increase in the Healthcare Levy of \$100 per year. Because it will make it easier for the wage earner, and for that matter, everyone, the bill also provides that there be four levy periods, each levy period to be the 1st March, 1st June, 1st September and the 1st December, each levy to be \$150. I propose that the results of this increase in the Healthcare Levy be used for the purpose to include the absorption of medivac costs required by recipients from under our Healthcare system and that the present arrangement with the Social Service be reviewed in this light. By passing the Bill through

all stages today, it would bring it into force by the 1st September thereby maximizing its capacity and making the review of any Administration accounts for medivacs speedier and easier. Thank you Mr Speaker

MR BROWN

Mr Speaker over the years there has been discussion about whether the healthcare levy would be better to be charged twice per year, four times per year, twelve times per year or whatever. Within the Public Service anything more than twice per year is certainly a complication but there is no doubt that a reasonably substantial number of people don't pay the levy when it's due. A reasonably substantial number still owe the levy when they leave the island and don't seem to send a check back to make sure that it gets paid. By moving to four payments per year, it will become obvious more quickly that a levy is outstanding and it will be possible if the House decides to adopt Mrs Boudan's suggestion, it would be theoretically possible to begin to chase up unpaid levies earlier in the piece. A few things need to be borne in mind though, the levy is paid six monthly in advance so if a person leave the island one month into a levy period, really he hasn't had the benefit of five months of that. Our present system is a bit complex. In order to obtain a refund of the levy it's not just a matter of sending a note down and saying I've left town, it's not just a question of the immigration section sending a report down each so often, but before we are too critical of people we need to remember that it is paid six months in advance. I can accept the suggestion that it may be easier for someone to pay one quarter of the annual levy at a time, rather than one half. It's all very well to say well, people are going to pay the whole lot at some stage, why create additional work for the service, but I think there is an argument in favour of making life as simply as possible for those upon whom we are levying charges of this nature. This proposes to do two things, to turn it into four levy periods per year and to slightly increase the levy by a total of \$100 per year. It may be that at a future date, we decide to allocate that \$100 towards funding medical evacuations. But that's a decision which has not been made at this stage, but when we do come to make that decision, we will need to remember that not everyone is a member of the Healthcare Fund. Children don't pay. People earning less than a certain amount of income can apply for a suspension of the requirement to pay the levy. It speaks for itself that if one's income is such as to enable successful application for a Social Service benefit it's likely that you won't need to pay the Healthcare levy although there are some Social Service beneficiaries who do pay the levy, and there are people who have alternative private health cover who are able to apply for suspension of the requirement to pay the levy so there are a lot of people who don't pay the levy and come the time that we look at whether we allocate \$100 out of each levy towards a fund for medical evacuation we will need to decide whether we are intending that some of these people be catered for without charge. In particular though we would need to look at people with private health insurance who decide that they do not have a need for the cover which is provided to them by the healthcare fund, we would be intending that they have the benefit of the low cost medical evacuations, and if so would we be intending that they pay something on an annual basis to gain that eligibility so there are a lot of issues but as far as today is concerned I understand that the reason Mrs Boudan is keen for the matter to be dealt with to finality is that we are approaching the 1st September and she would like to see the next levy notices sent out for a three month period. It may turn out that, that doesn't work that way. I think that at present we sent the levy notices out in March and September so although they are paid six monthly in advance if I'm correct in that statement the next levy notice will be in September and therefore it can be a three month instead of a six month notice, if the bill is passed Thank you

MR NOBBS

Mr Speaker Mr Brown's right there's been from time to time since I've been around here that there's been calls that we should make it not twice per year but x number of times per year. My personal belief is that I think it should

be once per month, and in the case of it going up to \$600 it's a lot easier, \$50 per month then having to shell out \$250 every half year so I'm in favour of the proposal to make it quarterly. As I say I would like to make the period even more than that, just the four per year and I think there has been some thought since this bill came to life, in relation to the actual collecting of it and as far as the time periods are concerned and I think there are ways and means to overcome what is perceived as a problem with this particular arrangement and that we should be able to key in to the immigration and those sort of issues which seem to take time, and at the present time, in a far more efficient manner. I support the Bill but I'm a bit concerned at the motion of this morning went down and we are actually giving the Healthcare scheme a free ride for a while until we work out how we are going to get this money out of there and I'm a Member of the Healthcare scheme so don't panic about it, but the thing with that is what it means is we need an undertaking that we get onto this proposal for evacuations as quickly as possible. If we can get that from the Minister I would support it

MRS JACK Mr Speaker, I do applaud paying the installments quarterly, every three months, I think that's a good idea. I have a problem with pushing it forward in one hit today. I think it should be worked in with the earlier motion put forward by Mrs Boudan. I think the two would dovetail together. I also have concerns on taking care of all the residents here, but we still haven't address the problem with the visitors that Mr Brown raised in the earlier motion and whether it's one where we consider \$5 added onto the departure fee or take \$2 off the present one. I would leave that to the Minister but I'm not in support of passing this as an urgent bill and I think as I said, it needs further work and that's why I won't give it my vote today Thank you

MR BROWN Mr Speaker the Minister for Finance asked my view about the urgency of resolving the overall issue. Certainly I would like to see the overall issue resolved as soon as possible. There is absolutely no pleasure as I said earlier in assisting to arrange medical transport to Australia whether on a scheduled or charter flight and then having to send someone a bill who has enough problems but we do have to be financially responsible with it. If Members are content for me to work with the Minister for Finance to produce appropriate legislation to increase the cost of cigarettes and to placed that increase into an appropriate fund which would be available just for health type purposes including evacuations then I'm certainly quite happy to do my part to have that ready at the next meeting. Similarly if Members are of a view that increasing liquor prices as I indicated earlier is also an acceptable way to fund this sort of thing then I would be more than happy to work with the Minister for Finance to cause that to be ready for our next meeting. The one outstanding issue would still be the visitor issue. I'm not saying that it is always a large issue but it has been significant over the years. The suggestion that I had made earlier was that we increase the departure tax but as I said earlier today, I am fully aware that the departure tax is already \$30 and people wouldn't like to see that going up by another \$5. maybe that is nevertheless the best answer. But perhaps when information does arrive from the Public Service we may be pleasantly surprised by the increased revenues that might be available from cigarettes and liquor and if the combination of Mrs Boudan's bill today together with cigarettes and liquor provided appropriate funding, subject to appropriate ongoing management of the evacuation decision, then it may be that the whole issue can be resolved at next months meeting. Thank you

SPEAKER We are continuing on with the motion that the Bill be agreed to in principle Honourable Members. If there is no further debate I'm about to put that question

MRS JACK Mr Speaker, Could I move that debate be

adjourned and the resumption of debate be made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you Mrs Jack. I put the question that the resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION

Could the Clerk please call the House

MR BUFFETT	NO
MR GARDNER	NO
MR SHERIDAN	AYE
MR NOBBS	AYE
MR CHRISTIAN	NO
MRS JACK	AYE
MR T BROWN	AYE
MRS BOUDAN	NO
MR BROWN	NO

DEPUTY SPEAKER The result of voting Honourable Members, the Ayes four the Noes five, the matter is not adjourned Honourable Members, therefore we continue

SPEAKER Any further debate Honourable Members. There being no further debate I put the question that the Bill be agreed to in principle

QUESTION PUT

Could the Clerk please call the House

MR BUFFETT	AYE
MR GARDNER	AYE
MR SHERIDAN	NO
MR NOBBS	AYE
MR CHRISTIAN	AYE
MRS JACK	NO
MR T BROWN	NO
MRS BOUDAN	AYE
MR BROWN	AYE

The result of voting Honourable Members, the Ayes six the Noes three, the Bill is agreed to in principle.

We move now to the detail stage. Is it the wish of the House to dispense with the detail stage. We dispense with the detail stage. I seek a final motion

MRS BOUDAN Mr Speaker I move that the Bill be agreed to

SPEAKER Any final debate Honourable Members. There being no final debate I put the question that the Bill be agreed to

QUESTION PUT

undertake, but the type of consultation that would be something akin to that of going through the committee but without that same process

MRS JACK Mr Speaker, no, I think leaving it for the Chief Minister's office to get in contact with the relevant clubs and small associations would be all that would be needed. I think you would get the same coverage and I think it is just for those institutions, and I think it unnecessary to take that big dive into the Impact of Bills and Subordinate Legislation Committee so I think it's fine to just leave it on the table

MR NOBBS Mr Speaker I did make comment as the Chief Minister said in relation to this but my sole comment now is for goodness sake let's get away from the use of the Companies Act. I was horrified when I discovered that you had to work under the Companies Act for a small sporting organization and the likes. It may appear to be a bit cumbersome this particular legislation and I suggested that it is but if that's the way we are going well let's get it in and trial it and get away from the Companies Act. That's all I can say, and do it as soon as possible

MR GARDNER Mr Speaker, I move that debate be adjourned and the resumption of debate be made an Order of the Day for a subsequent day of sitting

SPEAKER Thank you Mr Gardner. I put the question that the resumption of debate be made an Order of the Day for a subsequent day of sitting

QUESTION
AGREED

Thank you. That motion is adjourned.

NORFOLK ISLAND SUSTAINABILITY LEVY BILL 2005

MR NOBBS Mr Speaker, I present the Norfolk Island Sustainability Levy Bill 2005 and move that the Bill be agreed to in principle

SPEAKER The question is that the Bill be agreed to in principle

MR NOBBS Mr Speaker at the last meeting I tabled an exposure draft to this bill and spoke at length on the proposal to continue development of the concept of a broad based levy based on consumption. My speech was reported at large and I do not intend repeating precisely what was said, but I need to make some points. The Bill is to establish from 1 December 2005 to 30 June 2006 a levy of 1% on the sale of goods and on services provided on Norfolk Island. For years persons more learned than myself have expressed concern at the lack of adequate economic data and thus it brings into question our ability to adequately address economic issues as they arise from time to time, let alone our ability to properly monitor the island's economy on an ongoing basis or in the planning of the island's future, having such a major and critical component missing. This bill whilst introducing the concept of a broad base consumption levy at a low percentage is aimed at two specific and important areas, namely to collect data to assist in the mapping of the island's economy as a basis for the further development of the NSL and a second one to gain what may be expressed as community confidence in the Administration's ability to manage that arrangement. It will provide a mechanism to collect data to analysis the island's economy and Mr Speaker I'm tire of the claims that the Government cannot administer the levy. It is not only

belittling, it is inaccurate. I know there is capability of effectively managing the levy. There has been considerable debate in the community on the concept of an NSL. There's been a number of alternatives assessed by the Working Group and there have been suggestions from outside bodies. One overwhelming fact comes through from all groups. There is a recognition that there is a need to raise more revenue. After that, views diversify. Naturally there is concern as to how any proposal to raise more money will effect us as individuals and this is natural. As a community we must look at what is best for our community as a whole. The legislation before the house says the introduction of the levy at 1% on 1 December. The levy is set at 1% to ensure that the costs will be covered for it and it is anticipated that the Administrative costs in the trial period will be higher than during the normal operation due to the information gathering required. A reduction is proposed of 1% on customs duty on goods imported for resale other than some specified including tobacco products and alcohol where customs duty remains as is. The NSL does not apply to Government fees and charges such as electricity, hospital charges, vehicle registration and the like. We currently have the details of those as I explained earlier this morning. The NSL during this period will not apply to fuel on which the fuel levy has been paid, administrative fees on the sale of land, court fines, traffic infringement, postage stamps, gifts etc. NSL will not apply to insurance, interest on account keeping bank charges, travel to Norfolk Island and of course goods imported which are declared, not for resale. In such cases customs duty will still apply the legislation has specific penalties in relation to avoidance but the most severe penalties relates to divulging information. Stage 1 of the trial period commences on 1 December 2005 and is due to be completed on 30th June 2006. that's next June. The Bill is very specific as to requirements during the trial period. The bill requires a review of the Bill to commence on 1 May 2006 during which there are requirements related to public consultation for the development of a report and a decision by the community prior to stage 2 commencing on July 1 2006. There is a sunset clause. If the requirements of the review are not complied with by 1 July the bill shall expire on the 31st August 2006. again I repeat that the original proposal was to develop the concept. I've spoken earlier the dearth of appropriate economic data. In relation to the review requirements there are recommendations from various reviews which are with Members of the Legislative Assembly however the review by consultants in relation to infrastructure such as asset management and telecom have not been completed but are well progressed. I anticipate by the commencement of the trial in December our total estimated annual revenue requirement will be available. There's been considerable consultation and I thank those contributors within the community. I also thank the Working Group for their assistance and patience particularly in the face of at times severe criticisms of issues which were not part of the NSL concept. I guess a major criticism relates to the cost and running of Administration. What disappointed me were the attacks despite the fact that I stated there were reviews progressing which were addressing such claims. The issue of service requirements and its provision is a key to the Norfolk Island Government. The Norfolk Island Government does perform a variety of functions. Some say too many for such a small community and as a result our Government is unsustainable. I definitely do not agree with this sentiment. Mr Speaker much is made of the value of the Commonwealth Grants Commission Report published in 1997. the Commonwealth Grants Commission is made up of a highly respected group of independent persons operating under its own act and reporting directly through the responsible minister to the Federal parliament. The commission is held in high regard by the Commonwealth and all state and territory Governments. The commission conducted its review of Norfolk Island from late 1996 to August 1997. the commission's report was accepted as an excellent and fair report. The Commission's report included a reference to the variety of functions and responsibilities of the Norfolk Island Government population limitations, the need to maintain and improve our infrastructure and provide us some indicative costings. Notwithstanding all this, these well credentialed

learned and extremely fair people, without an axe to grind I might add, they believe that whilst the Norfolk Island Government would require additional funding, there was adequate funding within the community to achieve this, but there was a need to raise this additional revenue. Interestingly the financial year utilized by the commission was 1995-96. not a boom year, in fact both 95-96 and 96-97 had visitor numbers of 29,787 and 30,295 respectively. Not big numbers but considerably less than the year we've just experienced in 2004-2005 when nearly 34,000 visited the island and I'm not saying that 2004 was a good year however, in the climate of the mid 1990's the Commission considered we could run our own affairs adequately but we needed to raise additional funds which was available in the community. Mr Speaker it's factual that there is no good time to introduce additional revenue raising measures. There's never an acceptance by a community of any proposal to increase taxes. There is considerable variance as to the actual reasons why people oppose new taxes. Coupled with this from a Norfolk Island perspective there's no viable alternative to the need for additional funding and there is a need to raise these additional funds from the community. We are doing a storage one of a proposal that will provide much needed information and overdue data to compliment what is currently available. This data could be utilized to either firm up the NSL concept or provide a basis of assessment of some other alternative. We have needed this economic data for a long time. I firmly believe that the problems the island is experiencing today is due in a large degree to an inability to effectively map economic activity and as a result, poor economic planning. I urge Members to support the Bill which allows a stage one or the trial period only. What happens after that is dependent on the results achieved and the decision of the community and the Legislative Assembly prior to the possible commencement of stage 2. Thank you Mr Speaker

MR GARDNER

Mr Speaker I'll lead the charge if I might. As I've said in previous debate in the house in relation to the NSL and the path that we've set ourselves upon, I just again would like to commend the Minister for Finance for the strength and resilience that he's shown in pursuing this matter to the degree that he has. Obviously before the community there has been a great deal of debate about various means of increased revenue raising and the Minister is quite right in referring I guess to the spoken word around town to suggest that there is a definite need for increased revenue within Norfolk Island. There is no doubt about that and we've spoken at length about that at previous sittings but Mr Nobbs is to be commended on his perseverance and his undertaking as he did some months ago to bring legislation before this house for consideration by Members around the table and in due course by Members of the community. There are a couple of things that may need clarification before obviously Members of the Legislative Assembly and the community in general make a decision about this. I did propose at a previous sitting of the House that there may be some value in, if not the totality of this proposal, certainly parts of the concept be taken to referendum for community consideration and that primarily was to head off what I would say would be a guarantee that there would be moves within the community if we didn't initiate a move towards referendum for the community, to seek a referendum for themselves and that is something that I think Members of the Legislative Assembly need to give some serious consideration to and I would encourage them to give serious consideration to that. If I could just revert back to debate this morning in relation to an answer that the Minister for Finance provided to a question without notice on the NSL I think before general discussion at that time was pulled up, to avoid any pre-empting debate on the more substantive matter this afternoon, the Minister did refer to the fact that the NSL would not apply to Administration services and charges as we already know what the total revenue is that is collected by that. I just want to try and expand on that argument a little bit and get a reaction from the Minister if I could Mr Speaker as to the argument that I'm sure would be put up by a number of business on the island that would be only too keen to avoid the 1% NSL if they too were to come forward and

provide for example their audited accounts for the last three years, which would give us the same sort of information that the Administration is able to provide to the Minister and the Working Group at the moment. I would be interested on his reaction. Earlier today I also alerted members to the fact that in my view the information that's being provided to us does not convince me that with the introduction of this and the reduction of some of the other fees and charges that are about that it's basically going to deliver to us the necessary revenue to avoid a \$2.2m deficit in this years budget. I said I think in response to a matter that Mrs Boudan raised earlier today, we are going to have to no doubt in my mind, revisit the Administration fees and charges to ensure that we plug that hole so in giving consideration to this I think in tandem we have to give consideration to revisiting those fees and charges to make sure that we plug that hole or that \$2.2m deficit. There is one other very important item and I did speak at one of the round table discussions that Members of the Legislative Assembly had in relation to Norfolk Island's sustainability level and it might be by some co-incidence but it's important that it arises right at this moment and that is in relation to the application of the NSL to our gaming activities in Norfolk Island. I can assure you that if the NSL were to apply in any form or fashion to our licenced gaming activities in Norfolk Island that the nigh on half million dollars or thereabouts that we enjoy as a revenue flow to our coffers in the last financial year also will very suddenly dry up and we won't have a gaming industry in Norfolk Island and that's primarily because the margins for taxation that we apply were deliberately designed to ensure that we had some sort of competitive edge against other jurisdictions and the application of 1% on the gross sales of that business are markedly higher than those we apply as a tax at the moment and as a result would drive the industry offshore I am sure. I don't think that we are looking to apply this to drive a source of funds away Mr Speaker, and we need to bear that very carefully in the backs of our minds and I would be proposing certainly if this bill is to go any further that immediately any gaming activities licenced under Norfolk Island gaming or Bookmaking legislation be included in schedule 1 of the bill and schedule 1 of the bill for the listening public is the list of proposed exempt goods and services and I think as I said, for me to continue to support it would be imperative that, that matter be addressed and included in schedule 1 on a permanent basis and as I said, there's very good reason for it. We are not about driving away sources of revenue, we are in fact attempting to do the opposite and attract some streams of revenue. I'll leave it at that for the moment and give the opportunity to other Members around the table to discuss it. I know it's the Minister's intention to adjourn discussion on this matter today until another sitting date. It is important that Members of the community make their fears, their embracing of this legislation or whatever other emotions that this legislation before us generates in them, makes sure to let those feelings be known to Members around the table. Take the opportunities that the Minister is providing and has provided and will continue to provide on the educational circuit in relation to the legislation before us. Make themselves aware of the provisions of the legislation, make sure that businesses make themselves aware of the legislation. I know that the Minister has a very busy schedule to ensure that as much information gets out to the general public as possible. I guess my only, other than the incorporation of the gaming provisions into the schedule providing exemption, my only other major criticism from a personal point of view that I may have, is that I don't have a great deal of information to support my arguments either for or against this bill at the moment, I guess it falls more squarely in my arguments against the bill that I don't have a great deal of information at this stage and its certainly something that I've picked up from Members of the community and that's no fault of the Minister. he's endeavoured to do the best that he can to ensure that people do get the necessary information out there to be able to provide the necessary support to this. I will leave it at that for the moment. I look forward to other input from Members around the table.

by the British Government and that was that the rights of the Clunies Ross family not be interfered with and it wasn't very many years later that the Commonwealth had driven the Clunies Ross family largely from Cocos and when we think of the Clunies Ross family as recently as that, the 1950's from recollection was when the transfer to Australia occurred, we need to look at whether the Commonwealth would be quite happy to drive the Pitcairn descendents from Norfolk Island in a similar way. All of that came up because of the comments by Senator Crossin at the recent Joint Standing Committee hearing. We are used to the comments of Senator's Lightfoot and Hog. I've gotten to know Senator Hog quite well I think and I have no doubt that Senator Hogg is not a miserable person. I think that he firmly believes in a lot of things that he's saying. I'm not sure how I should view what might be said by Senator Lightfoot save to give thought to the pictures of him with his military rifle and his large coat, supposedly large enough to carry great amounts of cash and yet after all of those ridiculous escapades, Senator Lightfoot is still the Chairman of the Committee which busily criticizes us. But having said all of that, I would like to seek leave to move an amending motion. I seek leave to move that all words after "that" be deleted and be replaced with the following "a referendum be held at an early convenient date in order to obtain the views of the community as to whether the taxation measure known as Norfolk Island Sustainability Levy should be introduced by the Eleventh Legislative Assembly". If I am able to obtain that leave I would...

SPEAKER I wouldn't be prepared at this stage to grant that leave Mr Brown. We have a motion before us which is the normal procedural arrangements in terms of attending to a piece of legislation. It is normal that the legislation that we have would be adjourned and I'm not trying to pre-empt the motion of the Minister but that would be the normal process. You would of course have time to initiate such a motion on your own account and to have that properly heard by the Legislative Assembly in conjunction with this particular matter

MR BROWN Mr Speaker the ruling is a matter for you

SPEAKER I make that in a sense, part as a suggestion but if I am forced to make a ruling I would also refer to Standing Orders which says that there can be no amendment to the particular motion that is in front of us and I might quote it for you. No 157 of our Standing Orders. Excuse me whilst I just put it in context Mr Brown. No amendment may be moved to the question "that the Bill be agreed to in principle" and that is the motion that is in front of us, except in the form of an amendment relevant to the bill which does not anticipate an amendment which may be moved in the detail stage and does not propose the addition of words to the question". I think you can see that there are ways in which you can pursue the matter that you are pursuing without cutting across the Standing Orders we have in front of us

MR BROWN Certainly Mr Speaker

SPEAKER I'm sorry to be circuitous about that but I think that deserved some explanation there

MR BROWN Thank you Mr Speaker. I will in that event oppose the Bill today and I will ask Members to support me in actually voting today to cause the bill to be removed from our consideration

SPEAKER The question that continues to be in front of us at this moment is that the Bill be agreed to in principle. Is there any further debate upon that particular matter

charges that are going to have to come in and I believe that we are going to have to look at some very hard questions that the community doesn't like. They don't like NSL, I don't believe it can work, but we are going to have to look at increasing fees and charges. Perhaps the land fees. I mean these are real and people have to start recognizing that. I've read in the NAG report that was endorsed by the Chamber of Commerce, a desire to increase the customs duty of items that are currently at 10% to 12%. I've spoken to retailers, they have endorsed that change or that possibility but we have to work around and I don't believe that the NSL is the way to go. I see in the handout that the Minister for Finance handed to us on the Monday but by implementing this we would create a treasury statutory body reporting to the Minister for Finance to administer the NSL. Would that be coming on board in December. The recruitment of a Chief Revenue Officer and Assistance staff Member to the treasury function as required. I mean there's no way the 1% would even go towards a token offset. Establish an NSL shop front in Burnt Pine. Never mind the new computer software that would need to be purchased to run the NSL and to also and it wouldn't just be at the shop you would have to have it at all payment centres as well so you would be changing the way that the Administration would run and Mr Brown and I both have feelings on changes that need to run there, but you are going to have to start looking at really important matters within the Administration also to start drawing costs back there. Also I'll just go back to this guidelines book. All providers of goods and services on Norfolk Island regardless of turnover will be required to make application for NSL registration. I mean, I find that incredible. I mean. There's nothing that exempts children or amounts that anyone making any sort of money on any goods and services is going to have to apply for registration and then the next one, only providers of goods and services on Norfolk Island with an annual turnover greater than \$3000 per annum will be required to collect and remit NSL. Can you imagine how many people are going to be fronting up and saying oh no, I've got to join up and then they are told no, you won't have to apply. I mean that's a helluva amount of time wasting if you ask me. Now I know that they've hit this \$3000 level because if we have everyone on board is the thought then when the NSL is worked out after June 30th we'll know just who does what and we'll be able to know which people should come on board. I'm sorry I don't find it very worthwhile at all. I'm sorry I just can't support the bill thank you.

MR NOBBS

Mr Speaker I just want to respond to Mrs Jack on that. Her suggestion that I've got some problem with the Commonwealth is a bit of a joke and as a matter of fact I have difficulties with us being a self governing arrangement and still wanting to remain self governing but running to the Commonwealth every five minutes for some assistance. Now I've been to the Commonwealth and requested several things. Some have come off and some haven't but I have difficulty, and I've always had difficulty with Canberra, and I mean most other territories and the Northern Territory always had problems with Canberra, they've got a different philosophy there, but anyhow they seem to have all the money or they did but the GST seemed to put a little dent in that but anyhow, I'm not adverse to going to the Commonwealth. We had three Commonwealth guys over here. We could have done more for sure but that's the way it was. They could only spend a certain amount of time here. I just find it a bit difficult that Mrs Jack doesn't really understand what an information gathering exercise we are undertaking. If the ABS or whatever she would like to bring in here to do this sort of arrangement, they would be looking at precisely what it is. The registration arrangement is to ask people what is your turnover really. If you are under \$3000 we're not interested but at least we know who is over that limit and who is not so that's the idea and once the \$3000 limit, which is a very low threshold, and the proposal being that we will be able to track that and I believe that there are a number of people including local producers within that \$3,000 to \$10,000. it was originally \$10,000 and it was a Commonwealth suggestion, a Commonwealth officer from treasury suggested that we

go to \$3000 but I don't take any notice of the Commonwealth so it doesn't really matter but with the \$3000 it is in that area, from \$3-10000 I believed that there are significant number of local producers here that in a full blown situation would probably not come into it but they may need some help to keep that sort of area going. We don't know. We don't know what the actual figures are. We can take punts at it. We can have a few beers with them and talk about it and tell lies and do whatever we have to do but the reality is that we need the information to properly judge where we are going. I don't know where we are going from here but anyhow I'll leave it to the House. I brought it to the House. I said I would bring it to the House and I thank those people who have put a helluva lot of work into it to say that we can't do it, to say that we need millions of dollars to set up the office and that is incorrect, I believe that we have people within the service who can handle precisely what we need to do. If we need advice outside it is readily available to us I can tell you that

MRS JACK Mr Speaker, well if we have people in the service who you think can do it why did you write to the Commonwealth asking for an economics person and \$150,000

MR NOBBS Beg your pardon

MRS JACK Why did you write to

SPEAKER Will you please address the chair

MRS JACK I beg your pardon Mr Speaker, if the Minister for Finance believes that we have the expertise on Norfolk Island to handle this situation why did he then write to the Commonwealth asking for guidance from an economics expert at the cost of \$150,000 I believe though I might be wrong on that

MR NOBBS You might be wrong on that. The proposal was that it was suggested that they may be able to help us so I put it on them. It's as simple as that. I mean I'm not holding back on this thing. If we can get some assistance and some high power for a limited period to assist us, I don't mind doing it but as Mr Brown has alluded to following the Joint Standing Committee some times it comes back to bite you but I thought I would be prepared to take that on at that time if an officer could be seconded to us, not loaned to us, but seconded for a few weeks or for a period and the period was twelve months but maybe it could be eighteen months I don't know to whatever they wanted to do and it would be a Commonwealth officer who would be brought in to assist but we would still have our own. It was a training process that was proposed to set up a treasury function which is much needed here and the proposal is for definite training. I mean we've been talking about this training the people here for a long time in various forms of things but we only seem to do it from a technical basis. We are looking now at extending that, and that will be part of the role.

MRS BOUDAN Thank you Mr Speaker. I'm not comfortable with the proposed introduction of the NSL. The time we have had to investigate this proposal as been a great opportunity for me to gain I believe valuable insight regarding the possibility of gauging our economy. I don't believe the NSL will successfully achieve our goal in determining our economy. I don't believe we will ever successfully gauge our economy. Our community is far too small. I certainly believe we can tell if our economy is good, bad or ugly. We can tell by the kinds of movements that people make right down to body language, even facial expressions. I believe that the closest the Government has ever come to determining our economy was twenty years ago when the old public works levy was in place and each person 18 years of age and over was levied. Such levy was

reduced or exempted upon application by way of income declaration. I don't believe we'll get any closer to the community than that. The NSL concerns me in that it does not seem to cater for the lower income earners nor families. There is nothing to offer these important areas of our community that consume just as much, even more than those of higher income earners but will still be required to pay the same amount. I have trouble coming to terms with that. In the event of the NSL not being introduced, I understand that we must seek alternative avenues of bringing in revenue. The whole community must come to terms with that fact. There will have to be additional costs, there will have to be additional avenues of raising revenue. I believe I've listened long and hard. I'm trying to be sensitive to the way our community is responding to this NSL and I believe that I hear resounding no, no, no's. I'm prepared to look at alternative exercises. Alternatives will of course not be without costs but I'm sure can be dealt with in fairer ways for the betterment of this our community as a whole. Thank you Mr Speaker

MR CHRISTIAN

Thank you Mr Speaker, I've got to say that I give the Minister for Finance full marks for putting together this package and bringing it before us. I have no difficulty with that at all. I do have difficulty with the document that is before us at the moment and I will outline those difficulties. I do not intend to support the document that's before us at the moment but I will pass on to the Minister for Finance what sort of document I would support and that would give him the opportunity to withdraw this one and come forward with an alternative. Mr speaker some of the negative sides of the proposed NSL and the legislation as its written today one of the main ones is that no credit for taxes already paid is given. There is no flexibility or recognition that somebody's already paid their tax. Say an importer. So a consumer will be paying a tax on a tax. The 1% rate may not sound as if it has much of a compounding effect and that's probably a fair assessment, but when you adjust that rate upwards to whatever figure you need, somewhere between five and ten percent the compounding effect does become real and in Norfolk Island in particular with primary producers and that, the supply chain isn't necessary short. By the time it gets to the consumer it may well have gone through 2, 3 or 4 transfers and we will be levying a tax every time a trade occurs. Another area of difficulty I have is the 1% rate that's been structured at the moment. There's only one option that's worst than that and that the 0% rate in a realistic sense because we are incurring the full Administrative cost and bringing in almost no income or very little income to manage the scheme. Mr Speaker a percentage rate determined in times of low economic activity such as the times we are in now, will result in a higher initial rate which is unlikely to be reduced as economic activity increases. This scenario will result in excessive taxation and reduced competitiveness when compared with other destinations. There are some of the problems I have with the document I have before us and the likely sort of document that will flow from that if the NSL completes the trial period in its current form. I have spoken to Mr Nobbs on a number of occasions and I accept that we do need tax reform and probably major tax reform. That's not to be taken lightly. But I have difficulty with disturbing a system that works fairly well and the system I'm referring to is the import duty. It serves two purposes. It collects money very effectively and it also collects statistical information with people who want to do things with that information so the system that I would support is one where we split the economy into two, that's importers and the other side is service providers. The importers could be left as they are with whatever rate is determined to be sufficient, and the rest of the economy that is the service providers could be levied an NSL, GST or whatever, my preference is to call it a retail sales tax and I'll explain that a bit later but my preference is to have the service side of the community taxed at a rate that is lower than the import duty rate in recognition of the fact that somebody who's providing a service probably uses goods that have already been imported and had tax paid on it in the conduct of their business so that at the end of the day, actuaries can determine what that rate needs to be for us but the purpose of that

would be to strike an equitable balance in the rate of taxation. The reason I support a retail sales tax against the wholesale taxing system is that the retail sales tax is applied immediately before the product changes hands and becomes the property of the consumer so it only ever happens once. It's at the end of the line. Because the transaction would happen at the end of the line the rate if you want to put a figure to it, would be lower than the rate would be at the wholesale end, or the manufacturing end, or any point in between and from a perception point of view the lower rate has to be a winner. Even though the consumer probably will put his hand in his pocket for the sale dollar amount but the percentage rate will be lower and therefore the perception will be that this is a better tax. So that's the scenario I would support Mr Speaker but at the moment I can't support what is before us, Thank you

MR NOBBS

Mr Speaker could I just comment on that. Thank you Neville. There's no credit for taxes already paid. No there isn't in stage one. The proposal in stage two in the other document that you had earlier was a draft of a proposal and there were some duty payback provided in two lots after the main proposal. At the present time now we just do not have the funds to pay duty back and that's why in the trial period it was dropped by 1% because that's as far as we could actually go in relation to that. The compounding effect was considered and I have said it before that we don't believe there will be significant under the proposal we have at the present time, if it comes in, in the second stage at a far higher rate the issue of input credits and that's what Mr Christian was talking about, was a retail sales tax where there would then be an input credit system which then people would sell it from one to the other and get the money back and on it goes. It becomes a complex system and there is one hit at the end of the proposal, the last sale is the one that pays, and they've got to all record it as they go through the system. Under the arrangement of 1% there will be no input credits allowed and it will just go through. On primary producers, I spoke on primary producers this morning, they are an issue, and as I said then, everybody is aware of what's going on because most of them in the arrangement have some idea of primary production on the island but we don't believe there will be a significant impact on the 1% and that in developing the next stage there will be a need to consider those sort of issues. There is not just that. There is also issues on exports and other issues still that need to be addressed. There are a heap of issues actually which we need to address as stage one progresses. In economic times of hardship I would hope that by next year that the hardship light would not be the train at the end of the tunnel but a fair dinkum ball of sunshine. I'm confident that we can pull out of it, but irrespective of that, there are ways and means of judging whether we are really in hard times or not, and we will get that from the information that's available to us on the imports that come in and the sales and services that are going on at the time, so we will have an indication on that. It's been put to me from several groups that it's hard times and we shouldn't do it. There is no good time for a tax I can tell you that. Nobody accepts it. It is suggested that we split it into two. The importers are currently left as they are. We've had a proposal that they get on with it, that we put importation of goods up 2% to 12%, those sort of issues will bring in some money but they are against what we believe is the way to go and there is an argument to say that it's not the way to go, because the argument has always been that the shopkeepers pay that money up front to the Government but the sale may not occur, that's my understanding here and as I say, we haven't got the details here so this is all I can do, some of the sales may not occur for six to twelve months and that money is sitting on the shelf. That money then requires interest to be paid and then is included in the markup and that price, and you can take the boxes that you had the other day and you will see that it's a problem, and it's something that shopkeepers that I know have always been critical of. Now some of them want to retain that and some are even prepared to pay more. It's interesting that some of them actually want a reduction for 4% and 8% for food but give this other section of the community, the rest of the economy,

heaps and so I mean we have a diversity of views on the issue. We've tried to sale down the middle. There are some problems in some areas, some perceived problems in other areas and this is going to happen, but as I've said all along, if you are looking at raising more funds and they have been talking here of putting up the fees and charges and the like, it's going to cost the community more and unfortunately Mrs Boudan, whatever system comes in you will find that the family person really, and I go for income tax in that regard too, but the family working person where the money comes straight out of your hip pocket, or it doesn't even get out of your pocket. Before you pick it up from the pay clerk it's gone, and you will find that the middle income earners particularly are carrying the can for most things and that's the way it goes.

MRS JACK Mr Speaker, the Minister for Finance has made reference to the 10% or 12% that I alluded to earlier. That was just that even the Minister for Finance realizes this, that the 1% proposal is not going to bring in the shortfall that our current budget faces and there is a realization out there in the community that fees and charges and maybe increase in customs duty is going to have to occur and it was just the realization by some Members of those areas that they were willing for it to occur. Now I haven't spoken to every shop keeper in town, in fact I was quite surprised that that 10% to 12% received the backing of the Chamber of Commerce but it just showed a willingness to assist in looking at ways out of our current dilemma, Thank you

MR NOBBS I don't know whether the actual proposal by the three members of the NAG group I understand that I spoke to at one stage, there was Mrs Robin Murdock, Mr Beadman junior and Andre Nobbs were actually part of it. I was unclear and the first meeting we had them and in the second meeting there were a few from the Chamber of Commerce but I don't know whether that paper was endorsed by the Chamber of Commerce fully but it's a difficult one because what happens, and for people who may be listening the proposal was simply this, that there would be a levy and I understand that this was a one off arrangement, that there would be a levy of \$250 on all full time workers, that there would be a \$250 levy on all land titles, we double the workers comp levy, increase all taxes, levies, duties by 20%, that's all across the board by 20% and there would be savings of \$1m from the Administration and I think the figure that they were looking for was just over \$3m and the other proposals in that was the retention of FIL but it was putting in a system more like this that companies would have to register and if they were banking offshore they paid x amount of dollars extra and there were similar administrative arrangements to an NSL, there were charges per seat on buses and we've been through all this, rental cars the same and similar to the cold bed tax, there were charges to internet providers, there was leasing of GBE's there was a proposal for issue of bonds, cruise ships, increase to gaming arrangements here, leasing of phone numbers which we've been in strife already for and the sale of number plates etc. they were part of that group that Mrs Jack is referring to, it was their proposal, or that includes most of them. An increase of 20% across the board. We can do that tomorrow if we want to but I don't think it's really fair

MR BROWN Mr Speaker I would like to do something to prevent us being here all night. I move that the question be put, that is the question that the Bill be agreed to in principle

SPEAKER We are at that stage Honourable Members, that I'm comfortable to put the question forthwith if members are comfortable to do that. I'm sorry I misread that. I'm not able to put that question Mr Brown. Standing Orders provide that, that cannot be put until the next sitting. After it is proposed so I will turn to you Mr Nobbs in terms of the projected journey

MR NOBBS Mr Speaker Thank you. I appreciate what Mr Brown is saying there and I move that the debate be adjourned and resumption of debate be made an order of the day for a subsequent day of sitting

SPEAKER Thank you. Then I put the question for debate to be adjourned for a subsequent day of sitting

QUESTION PUT

Would the Clerk please call the House

MR BUFFETT	AYE
MR GARDNER	AYE
MR SHERIDAN	AYE
MR NOBBS	AYE
MR CHRISTIAN	NO
MRS JACK	NO
MR TIM BROWN	NO
MRS BOUDAN	AYE
MR BROWN	NO

The result of voting Honourable Members the ayes five the noes four, the ayes have it thank you, the motion is adjourned for a subsequent day of sitting

Honourable Members, we have concluded notices for the day and we move to Orders of Day

PROCUREMENT OF FULL TIME COUNSELING SERVICES FOR NORFOLK ISLAND

Honourable Members, we resume on the question that this motion be agreed to. Mr Sheridan you have the call to resume

MR SHERIDAN Mr Speaker at the last sitting we came to the part where by believe the Minister for the Environment proposed the adjournment for this but I don't mind speaking on it. I believe that it was adjourned because the Minister for Health had indicated that he had organized a telephone hookup for the executives with the Salvation Army and if I could ask the Minister to expand on that and we could see where we go from there

MR BROWN Mr Speaker I wasn't proposing to repeat publicly what was said but I will do so as I've been asked to by a Member of the House. The Salvation Army basically told us that the whole question of appointment and management of the previous counselor had been grossly mishandled. You've asked me to tell you what was said. I'm giving you the facts.

MR NOBBS Mr Speaker Point of Order. That is not correct

SPEAKER I can't sustain that as a Point of Order but I will give you the call so that you may give your point of view about the matter

MR BROWN Mr Speaker we were told that the whole issue had been grossly mismanaged. That the counselor should have done as she was told rather

than have her telling everyone what she was going to do, that she should have worked from the hospital which was the original plan, and it became very apparent

SPEAKER Mr Brown may I give you some cautionary words in terms of identifying officers within Standing Order 72(a). you will be aware of that Standing Orders Mr Brown

MR BROWN Mr Speaker I would be delighted to move that, that Standing Orders be suspended but we would be here all night if I were to do that and I don't propose to. So the Salvation Army have offered to assist in preparing a number of plans. A business plan, a business philosophy, a management plan and so forth and to assist in preparing a job description and to assist in preparing a suitable advertisement for the position. On that basis the executive Members have agreed that it is appropriate to fund a further twelve months trial of the appointment of a counselor., the counselor will work from premises at the hospital. The counselor will be under the direction of the Medial Practitioners at the hospital, but under review by the Salvation Army. So in terms of what is done day to day that will be done as part of the hospital team, but in terms of ensuring that the appointment doesn't run off the rails again, the Salvation Army will take an involvement in monitoring the progress and reviewing that progress. At present the Director at the Hospital is in the course of speaking with the Salvation Army in order to develop those plans. As Members will be aware he suffered an accident on Friday evening and is presently in hospital in Sydney but arrangements are being made for him to avoid boredom while in hospital by progressing the various issues in relation to the intended appointment of a further counselor. I'm not in a position to give Members and indication of how many weeks it will take for it to be ready for an advertisement to be placed. I don't expect it to be long and if it transpires that the director will be unable to give details attention to it while he is in hospital, the task will have to be allocated to someone else so that it does not stall while we await the director's return, Thank you

MR NOBBS Mr Speaker I thank Mr Brown for getting back on the rails again because what he said earlier

SPEAKER Order. Mr Nobbs let's continue this discussion on a

MR NOBBS Mr Speaker I apologise for that

MR BROWN Mr Speaker I would like to raise a Point of Order. That is an imputation and an imputation is inappropriate in accordance with Standing Orders

MR NOBBS It wasn't an imputation. He's been talking about the trains

SPEAKER Yes. I think you should recommence your debate Mr Nobbs without reference to the earlier connotations that may or may not have been present

MR NOBBS Mr Speaker I'm pleased that Mr Brown came back to a situation which was closer to my understanding of what actually happened in the way he started because one of the problems that occurred in the first instance was that there was a clash of personalities which is always a possibility in any organization I guess but the proposal that was originally in placed to house the counselor at the hospital, as I said there was some clash of personalities involved in it and it was decided I understand with those with some responsibility in the area to house the counselor

elsewhere. That's what happened and I believe that the counselor did some great work during her time. There was some problems noted by some people outside the organization but generally she conducted herself

SPEAKER Order. Mr Nobbs I have raised this matter with other speakers and I would like you not to stray into that area as well please

MR NOBBS Sorry Mr Speaker but anyhow I'm pleased that we have now got – can I identify the bloke at the Salvation Army?

SPEAKER Be careful

MR NOBBS At the Salvation Army, I'm pleased that Gerard Burn is still hanging in there so to speak and he's taken a consistent interest in the last five or six years and he's prepared to assist which is great and I would hope that the system would be getting back on course, in the not to distant future because a requirement has been identified in the community in the past and I think it had the proposal to continue with another counselor had the community's support of recent times, thank you

SPEAKER Thank you Mr Nobbs. Is there further debate at this time. Then I put the question that this motion be agreed to

QUESTION PUT
AGREED

MR BROWN ABSTAIN

MR BROWN Mr Speaker I'll abstain because I've been directed by the House

SPEAKER With Mr Brown's abstention the ayes have it thank you, the motion is agreed to

We have therefore completed Orders of the Day

FIXING OF NEXT SITTING DAY

MRS BOUDAN Thank you Mr Speaker. I move that the House at its rising adjourn until Wednesday 21 September 2005 at 10 am

SPEAKER Thank you Mrs Boudan. Any further debate Honourable Members . There being no further debate I put the question that the motion be agreed to

QUESTION PUT
AGREED

I think the Ayes have it. We are agreed on that matter and so we move to adjournment

ADJOURNMENT

MR CHRISTIAN Thank you Mr Speaker I move that the House do now adjourn

SPEAKER Thank you Mr Christian. The question is that the House do now adjourn. Any adjournment debate. Then I put the question

QUESTION
AGREED

The motion is agreed to. Honourable Members this House stands adjourned until Wednesday 21 September 2005 at 10 o'clock in the morning

