



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
11TH NILA HANSARD – 17 MAY 2006**

PRAYER

Almighty God we humbly beseech Thee to vouchsafe Thy blessing upon this House, direct and prosper our deliberations to the advancement of Thy glory and the true welfare of the people of Norfolk Island, Amen

If any Member would like to remove their jackets please do so

CONDOLENCES

SPEAKER We move to condolences, are there any condolences this morning? Mrs Boudan

MRS BOUDAN Thank you Mr Speaker. It is with regret that this House records the passing of Winifred Margaret Pitcher on Tuesday, 2nd May. Born in Auckland in 1929 Meg was the young of three children. Her parents were keen on amateur theatricals and this love of words and acting shone through Meg in her later life. She attended school in New Zealand and graduated as a nurse in 1952, taking on an assignment in Nuie Island as District Health nurse for children. On a return voyage to New Zealand she stopped at Fiji and attended a function at the Royal Suva Yacht Club for the World 18 Footer yacht championships. There she was spotted by a dashing young Howard Pitcher who was sailing for New Zealand. Weeks later they met again in New Zealand. Howard proposed. Meg accepted. She had booked a passage to England with fellow nursing friends to attend the coronation of Elizabeth and Philip and with her fiancée following on the next boat they arrived within a few weeks of each other and were married. They worked and travelled around the UK and Europe for nine months, then returned to New Zealand where they worked and raised their children, Merren, David and John. The Pitcher family moved to Norfolk Island in 1974 and Meg helped Howard at the Norfolk Island Gas Company whilst putting her finger in every pie. She assisted Bonnie as District Nurse, was Brown Owl, a member and more often than not, an office bearer of Red Cross, Norfolk Amateur Theatrical Society, Probus, Quota, CWA, NI Hospital Auxiliary, RSL Ladies Auxiliary, the Bowling Club, the Golf Club, WhiteOaks, Civil Defence, Meals on Wheels and Patron of the Girl Guides. A warm and friendly lady with a rich sense of humour, Meg's passing is a sad loss to this community. To Howard, Merren, Andrew, David and John, to their families and to their many friends, this House extends its deepest sympathy

SPEAKER Thank you Mrs Boudan. 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.

LEAVE OF ABSENCE

MR BROWN Mr Speaker I seek leave for Mr Tim Brown for the first part of the meeting. He is flying from Brisbane to Norfolk Island today and will join us later in the meeting

SPEAKER Thank you Mr Brown. Is leave granted? Leave is so granted

PRESENTATION OF PETITIONS

Are there any Petitions please?

GIVING OF NOTICES

Are there any notices please?

QUESTIONS WITHOUT NOTICE

We move to Questions Without Notice. Are there any questions without notice?

MR BROWN Mr Speaker I address this question to the Minister for Finance. Could the Minister advise how many additional cashiers will be engaged at the Administration Finance Branch in order to prevent queuing in order to pay the FIL. I'm sorry, to pay the GST

MR NOBBS Mr Speaker the proposal has always been Mr Brown as I think you've been made aware in the past, that the office that's administering the NSL will be situation outside the Administration to appease the concerns, particularly of those who felt that there may be some security risk in having it within the Administration which I don't accept but we've agreed to that in the past and we will be establishing an office outside the Administration arrangements. The staffing arrangements have not been finalised at this stage but it was always anticipated that there would be two staff Members as maximum in the NSL office

MR BROWN Mr Speaker a further question to the Minister for Finance. Could the Minister advise how many additional cashiers will be employed in order to reduce queues when the GST is being paid

MR NOBBS Mr Speaker the staff within the arrangements are two and I would assume that they would both receive funding as is necessary

MR BROWN Mr Speaker a further question. Will the Minister please advise how many additional cashiers will be employed in order to collect the payments of the GST

MR NOBBS Mr Speaker collection of the payments can be made, we believe, by bank transfer or by direct payment to the NSL office and we believe that there will be a need for no more than two staff within that office

MR BROWN Could I have one further question to the Minister for Finance, is the Minister saying that it will not be possible to pay the GST by cash

MR NOBBS No. I'm saying that there will be two staff within the NSL office and both will be able to receive cash or if there are bank transfers or some other arrangement, they'll be able to account for that

MR BROWN A further question. The Minister has said there will be two additional staff engaged and he has now said that both of those staff will be able to work as cashiers. Can the Minister assure the community that under no circumstances will people have to queue in order to make their payments and can the Minister assure the community that under no circumstance will his GST cause the employment of any more than two staff

MR BROWN Mr Speaker I wonder if the Minister could answer my question. I've asked whether the documents can be tabled at our next meeting. By doing that, interested Members of the community would be able to view them. If the Minister simply provides me with the information then that doesn't help those Members of the public who maybe wanted to have a look at whether they can get involved in a similar type of project

MRS JACK Mr Speaker thank you. I fail to see how providing that documentation will assist. To me it's more like a look see in somebody else's affairs. We've been very open about this process and the ability for people to source and be a part of the importation of mangos and other fruits but if it will assist Mr Brown and assist the people that are behind him and asking their questions, yes I'll table those documents for him

SPEAKER Thank you Mrs Jack. Honourable Members, any further Questions this morning. It appears that we've exhausted all questions. We move on to answers to Questions on Notice.

QUESTIONS ON NOTICE

Any answers to Questions on Notice this morning

MR NOBBS Mr Speaker this is from Mr Brown to myself. Will the Minister please advise whether financial statements are prepared each month for the Government's Air Service, and whether those financial statements are taken into account when the Minister provides monthly financial indicators to the Legislative Assembly each month? This is in two parts. The first part relates to the appropriation of the financial statements. I understand that the financial statements are not prepared each month for the Government's air charter arrangements. The second question, whether those financial statements are taken into account when the Minister provides monthly financial indicators for the Legislative Assembly each month, the response is that the Government air charter accounting is conducted in the airport entity and its results are not reflected in the monthly financial indicators report. The monthly financial indicators report are based exclusively on the revenue fund operation and the airport entity of course is a Government Business Enterprise

That's one Mr Speaker. The second one Mr Brown asks the Minister for Finance will the Minister please provide a costed listing of all monies which have spent by the Administration of Norfolk Island during the current financial year, charged against an item in the nature of "recoverable", and which have not yet been repaid or funded through a budget allocation? I have a list which I don't propose to read out and in fact I don't propose to table but if Mr Brown would like to view it, I have no problem, or any other Member who might wish to view it, I have no problem in doing that. But might I say this, that the total is \$41,465. why I'm not tabling it is that I assume it's a debt and I don't intend to table a list of debtors to the Administration

SPEAKER Are there any other questions

MR BROWN Mr Speaker can I ask a supplementary question. Will the Minister advise whether his list which he is prepared to make available to Members but does not wish to table, include all payments which have been made on a recoverable basis both in relation to the revenue fund and the GBE's

MR NOBBS Mr Speaker I have a list which is from the recoverable ledger of the Administration of Norfolk Island and I would assume that they cover, they do,

they cover Government Business Enterprise's as well as the revenue fund and the balance was at the 11th May last which was last Thursday

MR BROWN Mr Speaker I wonder if the Minister can assure the House that the list that he is prepared to make available to Members totaling \$41,465 is a complete list of each and every advance under the recoverable basis which has been made not only within the revenue fund but also within the GBE's

MR NOBBS I don't understand the question because I mean is it an advance to a GBE you're talking about

MR BROWN I'm talking about monies which have been expended on the basis that they are recoverable and have therefore not formed part of the budget process in the case of the revenue fund, and formed what might be described as abnormal spending in the case of the GBE's

MR NOBBS No I don't think it's abnormal spending, I think it's a recovery of certain things that have been paid on behalf of certain entities and I will just say that three quarters of it I guess, or two thirds at least is for one entity. That's lighterage and apparently that happens all the time

SPEAKER Are there any further answers to Questions on Notice.
No. We move on

PRESENTATION OF PAPERS

Are there any Papers for presentation this morning

MR NOBBS I table the monthly revenue fund financial indicators for April 2006 and move that they be noted. As at the 30th April 2006 and I say that these indicators refer to the Revenue Fund, the overall income 94.6% of the approved revised budget, that is some \$516,000 short. Customs duty is \$469,000 short of budget and the sum total of other tax categories is \$48,000 under budget. The FIL is \$92,000 ahead of budget and the revised departure fees is \$71,000 short but land titles fees are \$41,000 ahead of budget. The revenue funds revised budget income from the liquor bond is currently \$74,000 under budget. As far as expenditure, overall expenditure including known creditors and outstanding orders at the end of April 2006 is on a pro rata basis of 8.1%, that is \$865,000 under budget. At the 30th April 2006 the overall revenue fund budget is in deficit of \$815,000 which on a pro rata basis is \$349,000 less than budget. Thank you Mr Speaker

SPEAKER Thank you Mr Nobbs. The question is that the paper be noted

MR BROWN Mr Speaker I wonder if the Minister could indicate precisely how many pages he is tabling.

MR NOBBS How many pages? I've got three. I usually table two or three pages I think it is. That's normal

MR BROWN Mr Speaker I can see that the Minister has more than two or three pages in his hand. I would be interested to know just which of those papers he will table

MR NOBBS Well I usually table the revenue fund monthly financial indicators, the capital works and purchases, and from time to time the cash at the bank. The

other pages which I have before me were part of a briefing to Members last week in relation to the revenue fund situation at the 30th April 2006 and that's what I have before me and I normally do the three and that's what I intend to do

MR BROWN Mr Speaker could I ask if the Minister could table the whole of the six pages which he has before him

MR NOBBS If you so wish. That's fine

MR BROWN Mr Speaker normally if my recollection is correct and the Minister tables one page, perhaps two, I don't recall the third page having been tabled by the Minister in the life of this Legislative Assembly but the final three pages are the most helpful pages. And I commend the Minister for ensuring that those pages are available and for having the courage to table them. Because having tabled them the Minister indeed has shown great courage because those pages Mr Speaker are disastrous. The Minister on previous occasions has suggested to us that there's still millions of dollars. Well we can see from the page that's called cash at bank that indeed if you added up the loan funds in relation to the Cascade Cliff, the loan funds in relation to the airport runway, the various trust accounts, the reserves of the Workers Compensation Fund, the reserves of the Healthcare Fund, the money in the Gaming Enterprise and so forth, it comes to something like \$17 million but when the Gaming Enterprise began, we were all strongly in agreement that the funds which it generated should not go to funding current spending, but that they should be set aside for worthwhile capital works, particularly in recognition of the fact that that revenue may prove to be quite transient. The reserves of the Healthcare Fund are reserves which have been prudently built up over the years so that there are adequate funds available to fund the cost of treatment for someone who has suffered a catastrophic medical event and the Minister for Community Services who has been in this place longer than I have, will clearly recall that the purpose of the Healthcare Fund was indeed to ensure that catastrophic medical events could be funded. I have no difficulty with the concept of significant parts of the Healthcare Fund's reserve being used to fund a new hospital because I see that as an appropriate way to ensure that the aims of the fund are achieved. But those funds are not there to be raided for the purpose of pretending that there's a balanced budget

MR NOBBS Mr Speaker point of order. This issue has been taken completely out of context. Nobody has ever suggested that we raid those particular funds. Nobody has ever suggested that there's some magic millions of dollars involved. What I've said and I will clarify it straight away, is that the revenue fund is going to be tight and I will speak more in a minute. I would just like to clarify that

SPEAKER Mr Nobbs I don't see your point of order as such. It's part of Mr Brown's general debate so I will allow him to continue to speak

MR BROWN Mr Speaker I'll quickly brush across the workers compensation scheme simply by saying that although at the end of April it had \$608,200 in the bank it doesn't mean that it had a net asset of \$608,200 and it most certainly does not mean that the Minister should feel that those monies can be spent in order to balance his budget. Now let's look at page numbered four of the bundle which has been tabled by the Minister. That page is referred to as revenue funds current assets described as cash plus debtors less creditors and liabilities to give an estimated position as at 30th April 2006. Bear in mind that the revenue fund budget is in excess of \$1m per month, so it is in excess of \$12m for the full year so we need to be able to fund \$1m per month. The net reserves according to this form and I'm accepting the Minister's form as being correct he net reserve at the end of April amount to \$163,000. That is 16% roughly of one month's expenditure and if we look at the Minister's initial budget which was for a deficit of several million dollars

which was reduced by raiding Norfolk Telecom we are still looking at a deficit of the year in excess of \$1m. that is almost \$100,000 per month after raiding Telecom. It would seem that the funds would be totally exhausted by the 30th June. Now Mr Speaker I ask a couple of questions about that. First, why is it that the Minister has only in the course of the last week provided at least to backbench Members this detail. The second thing that I ask is how does the Minister propose to ensure that wages and creditors can continue to be paid in an environment where at first glance there will be nothing left at the 30th June. Now some might say look, not all of the bills will have to be paid within that period. Some might say, oh something will happen. We'll get a bit more money out of Telecom or we'll get a bit more money out of electricity but the fact is that without drastic change by the 30th June we will be eating into employee entitlements and that's not appropriate

MR NOBBS Mr Speaker point of order. That's scurrilous Mr Speaker. There is nothing in this to suggest that and if the Member had looked at the proposed budget for the next financial year you will find that the money at the end of June is predicted in that so I mean, I rest my case. It's just scurrilous

MR BROWN Mr Speaker scurrilous it may be but the other word that has to go beside scurrilous is factual. Factual Mr Speaker. From the Minister's own papers and it's time the Minister learnt to interpret his own papers because I fear that the community is being sent down the tube by a Minister who protests that questioning his management of the island's finances constitutes being scurrilous. There are employee entitlements which are listed as current creditors and there are employee entitlements which are listed as long term creditors. They were defend at the end of April and I will be moving a motion at the next meeting of the House to create a new head of the trust fund into which employee entitlements would be intended to be transferred on a monthly basis so that those employee entitlements are safe from mismanagement by whomsoever may have the executive responsibility at the time. Mr Speaker the situation is absolutely dreadful. There is nothing that I have heard that the Minister is proposing to do in order to overcome it save for introducing the GST which he has introduced in an environment where Treasury Officials raised something like twenty queries and the Minister didn't bother to deal with them

MR NOBBS Mr Speaker I would respond to that if I may. I'm aghast as I sit here and I feel that it is scurrilous because at the commencement of this financial year, I said that it was with deep regret I think it was that I put in a deficit budget of \$2.3m. we have reserves at that time and it was spelt out very clearly to all Members, of \$1.3m which left a proposal that at the 30th June next coming, that is, 2006 there would be a deficit of \$933,900. \$934,000. the deficit actually increased to something like \$2.6m at the review before we started really pruning and that was to take account of reduction in the revenue as anticipated so it went to \$2.6m in the budget. Now we have a deficit of \$836,500 predicted at 30th June. Now that's a fairly substantial deficit but from \$2.6m down to \$837,000 is a significant reduction in expenditure. The balances predicted at the 30th June in this financial year, 2006, the balanced reserves will be still positive. We bought it back from a negative of \$934,000 to a positive of \$490,000. So that's where I say this is a scurrilous attack. There is no proposal anywhere that I know of to eat into employee's entitlements. They are spelled out and I know that there has to have been some stirring going on because the Public Service Association wrote to the Finance Manager just this week and was assured then that long term employee entitlements and short term were taken care of so I don't know where all this is coming from but I thought what would happen this morning is that some Members would say that we are insolvent but the word hasn't been brought out as yet which is rather surprising. But may I say this, that from year to year in the revenue fund, some Members who have sat around this table for a lot longer than I have, have said that the revenue fund is a fund that the Administrative arrangements are largely funded from, it is a fund where I know that predecessors in my position have felt, and the Legislative Assembly at that time have taken the view that if money is raised in that particular year it should be expended in

that particular year. As I've told Members a few weeks ago and I think I might have told the general community from memory, in about the last 16 or 17 years, or whatever it is now and that's as far as I want to go back, or was able to go back I think, the revenue fund has fluctuated between the red and the black every year and I think we've virtually come to the situation where we are 50/50 at the moment and up to last year, this year I think the red has taken the front as they used to I understand across the road there at one stage but the red have been in front, it now is about 50/50 so from time to time we do build up reserves. I left here I think in the previous time when times were really good and we had over \$3m in reserves and that has been eaten into because times aren't good now and I just refer you back – it's really interesting that ten years ago in 1995/96 the island was seen to be in a similar situation and from memory it was. We were down to about the same number of tourists here, the economy was very slow, there was some concern in the Legislative Assembly and I wasn't on the Legislative Assembly at the time, and there was some adjustments made and we got through. The tourists numbers picked up, business activity picked up and we had an opening of the tourist accommodation arrangements or the provision of accommodation licences, the building industry picked up and we were in what some may classify as a mini boom or a peak if you look at it from day one, 150 years ago I think you will find that the island has gone through a series of peaks and troughs and we had a peak in about 2000/2001 and we are back down in a trough at this point in time, and I don't really like the position that we are in but that is the way that it is. I wanted to assure the community that we are definitely not insolvent at this point in time and that whilst the figures that Mr Brown said, of \$153,000, there will be income coming in and this was at the end of April, during this month and next month and the predictions are that we will be carried through with a deficit of \$837,000 or whatever it is, at the end of June. So the revenue fund actually, may appear as the total budget of the Norfolk Island Government, but it really isn't and I question why you have Government Business Enterprise's if they don't return some sort of return to their shareholders and I understand that the situation as far as the Healthcare Scheme and those others such as workers compensation are established as an insurance type arrangements and basically have commitments which need to be met into the future and I'm not really talking about them but the other services that we have in the Government Business Enterprises, well if they are going to be a Government Business Enterprise then they should be run as a Government Business. For too long now and I meant to speak of this in the budget, the revenue fund has actually had to prop up some of those inadvertently I must admit, or through to changing arrangements but they have propped up some of those funds and I prefer that it should be all clear. Everything should be on the table and that the cost of the operation of those entities should be fully accounted for and not by any particular reason. I don't think there's a particular reason for it but the facts are that a lot of their costs are hidden within the revenue fund budget or have been in the past and we need to look at how that can be rectified. That's all I need to say at this time, but I'm confident that we will go through and even as I've mentioned to Members right from the start of this financial year, and I've put it in writing I think to Members but I've definitely put it in writing to the c but I've definitely put it in writing to the Commonwealth Finance Minister and when I explained what the situation is with how we operate the revenue fund and the like is that this financial year the revenue fund will be tight. It will be extremely tight and that's why we have cut what amounts to be about \$1.8m. Thank you Mr Speaker

MR BROWN

Mr Speaker I mentioned earlier that the deficit for the current year has been reduced by raiding Telecom. Let me give you a little history of that. In the 2003/2004 year the Finance Minister of the day proudly told us that he had finished the year with \$1m surplus from recollection. He did it by raiding Telecom and that year a dividend of \$1.94m was taken from Telecom and something like half of that was taken in the closing months of that financial year so that the particular Finance Minister would be able to report a surplus. The following year it was recognised that all of the available blood and more had been sucked out of Telecom and the dividend in that year was only \$92,000. when the budget for the current financial year was being formulated it was recognised that

there wasn't room for a significant dividend in the current financial year because if we continued to drain the reserves of the undertakings all that we're doing is causing a huge problem for the future when assets, that is the infrastructure of those undertakings, require replacement, and so in the current financial year we agreed that we would take only \$392,000 from Telecom. The Minister then decided that he had to do something about this budget deficit so he changed the proposed dividends. Not because of profits in the current year but because there was a bit of cash in a bank account, cash which should have been held aside for infrastructure replacement, but nevertheless the proposed dividend from Telecom was increased from \$392,000 to \$1.614m so in one slash of the pen an extra \$1.3m was found for the revenue fund and we were able to pat ourselves on the back and tell the community what a wonderful job we've done, we have pulled that dreaded deficit down. Mr Speaker there's not room to pull that stunt again. Any Minister who proposes a stunt of that kind should cease to hold his ministerial office. So the Minister should not claim any credit whatsoever for the fact that the deficit is likely to be less than that which was projected at the time of formulation of the 2005/06 budget. I hope that the Minister will go and speak with the Acting Chief Executive Officer and that he'll go and speak with the Finance Manager and he'll get them to explain to him what his documents mean because I'm extremely concerned that the island is being led up the garden path by a Minister who does not have a solid understanding of what his documents mean and I'm very concerned that if he was to seek the advice of his Acting Chief Executive Officer and his Finance Manager he will find that the cupboard is almost bare. It's decision time Mr Speaker. It's time to actually do some of the things that need to be done and if we continue to just sit here and ignore the problems we are hardly going to inspire confidence in those who are observing us. If we want people to feel confident in us, there are some very hard decisions that have to be made immediately. We have to actually do something about the Minister for Community Services suggested remedy for reinvigorating the economy, we can sit here and talk about reinvigorating the economy for as long as we like, until long after the cows have come home, but unless we actually do something, we are wasting everybody's time. We do need to reinvigorate the economy, we do need to very carefully review the size of the Public Service and its function, time has come where we can no longer simply say that we will drain the reserves in order to continue to employ as many staff as we can, we've got to go back to zero based thinking and work out just what services it is that the Administration must provide and we have to cease supplying the rest. One only needs to look at J E Road to see that some of what the Administration does, it is not good at doing. Almost two years that project's been under way and yet in another few weeks time the airport resealing will be finished and that's the difference which we need to achieve across the board if we are to give anyone confidence in our abilities

MRS JACK

Mr Speaker I think one of the problems that are faced here in this selection of papers tabled by the Minister for Finance today is that page 3, the cash at bank, is exactly that. It's the cash at bank and the next page is more or less accrual accounting for what is expected, our expected future revenue and liabilities. Now when you look at page 3 at cash at bank and you look at the Norfolk Island airport, a GBE, it paints a picture that one may look at and say gee, is that all that's in there. But unlike a shop that buys in a product and sells it, and gets cash for it that day, this GBE leases aircraft, sells the ticket, provides the service and waits up to how many weeks before we get the money coming back. We actually have in that account I would estimate a couple of million outstanding coming in. Yes I realise that there's money going out but we have another couple of million looking at us there and that will be ongoing and when you look at the accrual now that cash at bank seems to include everything. The Administration as a whole. And yet here we look at page 4 which is the revenue fund which is part of a whole. Now that part of a whole is done as I mentioned before in accrual accounting methods and so Mr Brown has a viewpoint of wanting to protect employee entitlements, and so they should be. They should not be used à la the Ansett debacle that has put all of Australia into paying more for air tickets. I mean we took up rightly or wrongly, Mr Brown would jump on the band

wagon here, but we stepped up and we matched our air tickets. Now I think we've done extremely well. The Minister for Finance, and yes, he's showing this, and I agree with Mr Brown, it's a really gutsy effort to table all of this let me tell you, but this is the situation of part of the whole. It shows that we have contained some areas and we have to do further containment. We need the Administration's assistance and I really seek the employees assistance here for them to come to the aid of the party rather than have it done for them because further constraints need to be applied and we need to say do we need to do this, is it profitable. Yes it is profitable but should we still be seen to do it. I personally have a problem with the Liquor Bond. We are asking on one hand for the proper serving of alcohol and on the other we're saying no, sell more alcohol. That's a philosophical argument that I have to deal with. But I don't agree that we are near death's door. I would say that we've recognised the problem and are dealing with it. I think if you were to go to businesses in town and look at some of their accrual positions, that they wouldn't want to look at it either because it would show them in a position that they don't feel is true because there is always the changing picture. Mr Speaker that's all I'm prepared to say but we have to remember the different aspects and future earnings and that this is part of the whole. Thank you

MR NOBBS

Mr Speaker thank you, thank you Mrs Jack for that and also to Mr Brown for his comments although I don't agree with most of them. The issue really is that we know where and I was going to leave this to the debate up front until we know we're out of the woods. We are still behind. The economy needs to pick up of course but as Mrs Jack said, it should be recognised that there has been considerable work done as far as the Telecom arrangements are concerned, we left money in there and didn't touch them in the last financial year because there had been additional funds taken from them by the previous Government and we needed to allow them to build up. This did build up and they had by July this last year, something like \$1.4m from memory as cash at the bank. We were looking at funding certain things and it was not until the budget review that we were able to reassess the particular entity and we believed that there was sufficient funding in there to purchase what was required and why I leave the money sitting there for nothing, because as I said before Government Business Enterprises are a Government Business and the community should expect a return on them and as the same as any shareholder, and that's why it is important that if we do have these entities and keep them for business arrangements that they be run as a business and not as a Public Service but as an arm of the Public Service but at this stage Mr Speaker I just want to assure the community that things are tight, that measures are being taken in relation to both the expenditure and income arrangements and that nobody more than me hopes that the economy soon picks up but when it does, I just want to say now, what we shouldn't do is forget about these troughs, because that's what happened in 1995 and we didn't do anything about it at that time. Thank you Mr Speaker

SPEAKER

Thank you Mr Nobbs. Any further debate. It appears that debate has been exhausted. The question before us is that the paper be noted

QUESTION PUT
AGREED

The ayes have it. That paper is noted. Further Papers Honourable Members for presentation. Then we've concluded Papers

STATEMENTS OF AN OFFICIAL NATURE

Honourable Members any Statements this morning. No Statements. We move on

MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 36

Honourable Members I have received the following message from the Office of the Administrator. It is Message No 36 and reads, on the 12 May 2006 pursuant to section 21 of the Norfolk Island Act 1979 I declared my assent to the following, the Norfolk Island Sustainability Levy Act 2006 (Act No 11 of 2006) and that message is dated the 12th May 2006 and is signed Grant Tambling, Administrator

Thank you. We've concluded Messages Honourable Members

REPORTS FROM STANDING COMMITTEES

Honourable Members are there any Reports this morning. No. We move on to Notices

NOTICES**APPROPRIATION BILL 2006-2007****MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 37**

SPEAKER Honourable Members I have received the following Message from the Office of the Administrator. It is Message No 37 and reads, in accordance with the requirements of section 25 of the Norfolk Island Act 1979 I recommend to the Legislative Assembly the enactment of a proposed law entitled "A Bill for an Act to authorise expenditure from the Public Account for the year ending on 30 June 2007 and that message is dated the 16th May 2006 and is signed Grant Tambling, Administrator

APPROPRIATION BILL 2006-2007

MR NOBBS Mr Speaker, I present the Appropriation Bill 2006-2007 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 as is convention the figures refer to the revenue fund which is in effect the Government's administrative budget. The revenue fund provides for the funding of what would be called Administrative functions including the CEO's office, human resources, finance, planning, environment, forestry, courts, police, lands, welfare, legal, companies, works, Legislative Assembly, customs, immigration, quarantine and education. The revenue fund also provides major subsidies to the hospital, tourist bureau, KAVHA and small subsidies to such community activities such as culture, sport and cadets. The Government Business Enterprises or GBE's as they are known are not part of the revenue fund. The Government Business Enterprises include the airport, waste management and water, electricity, Telecom, roads, lighterage, post office, bond store, gaming, sale of rock, KAVHA, healthcare and workers compensation. If I've missed any I apologise. Also not included in the revenue fund are budgets for the statutory authorities such as the hospital and Tourist Bureau. To some Members of the community there may be some confusion as to these arrangements but they are not new. They are long standing. The confusion may even be greater for with exception of the hospital, Tourist Bureau and some lighterage employees, all those employees within the revenue fund arrangements and the Government Business Enterprises are employed under the provisions of the Public Sector Management Act and its policies. The Government Business Enterprises are constrained by being within the Public Service arrangements and if they are to be retained as Government Businesses the current GBE's must be freed of those constraints. The bill notes in its schedule the expenditure for each cost centre. Whilst I do

not propose to deal with individual cost centres, may I provide the total expenditure budgeted for the year 2006/2007 is \$12,392,000. Of this salaries and wages account for \$5,631,400, recurrent and operational expenditure is costed at \$6,540,600 and capital at \$220,000. the big items on which expenditure will be made are education \$2.4m, welfare \$2.2m, subsidies and grants \$1. \$628,700, these are for such things as registration of dogs, pasturage, royalties, and immigration fees, 7m. That's a total sum of \$6.3m which is just over 50% of expenditure proposed. The next follows, and I round these figures off, works \$51,000, Legislative Assembly \$671,000, Administrative general \$509,000, these are for the public general operational costs, normal operational capital costs currently not apportioned to individual areas, and whilst there's been some change in relation to the apportionment of these costs, there is more to be done in that area. Following on with the others are police \$429,000, Legal Services Unit \$422,000, customs \$323,000, KAVHA \$322,000 and forestry \$303,000 which doesn't include the livestock and Tanalith arrangements and those are the larger items in the budget and the total expenditure in specific areas. The estimated income is \$12,477,800 which is made up of revenue from taxes of \$6,852,000 which includes areas such as customs, FIL, Tattersalls lotteries, liquor Licencing fees, departure tax etc. The fees and charges revenue anticipated is planning and those type of arrangements, and earnings of \$4,997,900 which is proposed revenue from Government Business Enterprises management fees and profit contributions and also from the NSL where \$1.4m is budgeted at this point in time. The net result is a budget with a small surplus. It is a significant result in poor times for all the small businesses including the Government. It should be emphasised that at this time last year we had a budget with a projected deficit of \$2.2m. I must also state that as a result of significant effort with the Public Service and we've been through all this actually in the past, the deficit has been reduced to just under \$900,000. However Mr Speaker, the job is far from over. Legislative Assembly Members have shown consideration and positive support in providing the opportunity for both the variation in the taxation arrangements and also new revenue stream by supporting the NSL. I would also like to express my appreciation for the support provided by Members of the Public Service in the past year and particularly the CEO who's been under considerable pressure in managing the organisation in difficult times whilst delivering significant savings. My appreciation also extends to those in the service who responded positively to the job in hand and of course the Finance Manager and his staff, our financial managers and controllers. The job is not over by any stretch of the imagination. The Government has looked at the revenue side looking at introducing specific changes and now is the time to look even closer at the expenditure side. As we move through to the new financial year there is a need and I believe a will, to look closer at all aspects of Government business. There is room for improvement and I'm pleased to say that a significant number within the Public Service recognises the need for change. Thank you Mr Speaker

MR BROWN Mr Speaker a key component of the Minister's budget, possibly the last Nobbs' budget before he moves to be Chief Minister again, is his GST. And the GST according to the budget documents, oh firstly Mr Speaker, I wonder if the Minister would be so good as to table the thick documents he's referred to as the second draft budget 12 May 2006, which contains the breakdown of the various items so that people are able to understand what we are doing and more importantly understand what I'm about to say.

MR NOBBS Mr Speaker all expenditure is included in the schedules. I'm not hiding anything

MR BROWN Mr Speaker in that event I seek to table the document referred to as the Administration of Norfolk Island – Revenue Fund – 2nd Draft Budget 12 May 2006 in respect of the 2006/2007 year

SPEAKER
being tabled

Mr Nobbs do you have any objections to the document

MR NOBBS

No. I have no objections at all. I thought that it's not usually done and I thought that all the items were within the schedules of expenditure. That's what we are talking about under the Appropriation Bill, this is the expenditure of funds

MR BROWN

Mr Speaker the budget documents anticipate receipts of \$1.4m from the GST together with the management fee of \$10,000. That's a very significant component of the total anticipated revenue of \$12.477m, and it exceeds 10%. The GST is a 1% charge and I've got no doubt that the Minister has some basis for his calculation. I don't know whether he has assumed that the total turnover on the island, that's the total gross domestic product for want of a better word, is \$140m. Perhaps he has made that assumption. Perhaps he has made an assumption that the – I'll call it gross domestic product, is a figure less than \$140m but comes to \$1.4m figure because the GST is intended to be a compound of the GST where one particular item might be touched by the GST on several perhaps even three occasions but it will be helpful if the Minister can explain to us precisely how he has reached his figure of \$1.4m. yet again Norfolk Telecom is a significant contributor to Norfolk's revenue, whereas it was only possible to take \$92,000 in the 2004/05 year whereas only \$392,000 was budgeted and taken in the current financial year we will now be taking \$1.614m in the current financial year, a far greater amount than whatever profits may be earned from Telecom. No doubt including a large part of the depreciation which should be really set aside each year for eventual asset replacement and far higher than what should appropriately be taken. I wonder if I could talk a little about depreciation. Depreciation can be looked at in a couple of contexts. One is a taxation context and from there Government's will often use depreciation rates to provide incentives to parts of the community. In the most recent budget handed down in the Australian parliament, depreciation rates were increased for some things as an incentive for people to re-equip and become more efficient. Now we're not in an income tax environment, at least not at this stage, so presumably depreciation is being considered in the context of its more traditional meaning, which is ensuring that over the life of a particular asset, is set aside enough money to be able to eventually replace it. Now that theory gets you into trouble at times because if the cost of the asset is continually increasing and you're only depreciating from your original cost of products you might get to the stage where you have fully depreciated an asset, kept all the money in the bank but you've only got 40% of what it's going to cost you to buy a new one. But in our case we are not even keeping the 40%. We're nicking that too. By the time Telecom pays for its mobile phone service, it's not going to have a lot left sitting in its bank account. And that's in an environment where Telecom is used as a very heavy taxation measure but a measure, which is now under threat. Under threat for all kinds of reasons. The Norfolk Island Government loses its current court case against Norfolk Island Data Services then you can probably throw your Telecom revenues out the window because at that stage, you'll have competition and you will not be able to get away with charges that have been charged at present. We can go through the whole of the proposed earnings and we need to recognise that very few of them are earnings. They are nearly all taxes. If we look at what the Minister is proposing, he has proposed a very detailed schedule and this schedule is provided by the Public Service each year and although I would not go so far as to say that I have a clear recollection of the schedule being tabled every year, it is regularly tabled but in it, those who put up the bids are seeking \$5.6,7,8m for wages but \$47,500 of that is not being provided. It's written on the page, but it's actually not being provided. Now that little over \$5.5m is just the wage bill in the revenue fund. It doesn't include the wages of the undertakings and if we look at what we are going to be paying out for the undertakings, the total wage bill is huge. If we look at the current expenditure it was proposed at \$7.917m but \$1.37m of that is not being provided and if we go through the supporting documents we can see in the second column from the right hand side, the items that have no provision being made. In some of those cases we are

absolutely kidding ourselves because I can see one of them at \$200,000 where it is very difficult to suggest that there won't be a cost and yet that \$200,000 is being treated as nil. We look at the Tourist Bureau which this year is receiving a grant in the region of \$1.25m and we are proposing to provide at a time when tourism is on its knees, we're proposing to provide only \$800,000. So we are proposing to provide only two thirds of what the Bureau feels that it needs in order to do its job. Now if we are going to make that change, then we need to very carefully think about a motion that is further down the Notice Paper. Sadly we don't have financial statements and we don't have budgets for the GBE's. the Minister for the Environment has told us that the airport undertaking has debtors which might be in the region of \$2m. That's one heck of a lot of debtors. And it seems that we think it's in that region but we don't really have a clue. It seems that the Government's airwing does not produce financial statements and yet that's a business that's probably turning over close to \$30m per year and we don't even have a set of financial statements for it for the first month of its operation. Financial statements for that business should be being provided on a monthly basis and all kinds of management information should be being provided in the intervening period. It is inexcusable that an abbreviated profit and loss account is being prepared on a weekly basis. We've got a budget that is assuming in terms of departure taxes that there will be 35,000 people departing from the airport during the year. Take out locals, at say 10% which is a reasonable estimate, it's assuming only 32,000 visitors for the next eyra, but if we look at the current year we are going to be lucky to get to 28,000. Will there be a growth of 4000 visitors for the year. I'm not sure. But if the growth is only 4000 there's not going to be many businesses open in Norfolk Island to pay the taxes that the rest of the budget relies on. It's a shame that there is not a budget for the Government airwing because if we looked at that budget we would be able to see whether the Government airwing is proposing to make significant contributions towards advertising promotion, marketing generally. Previous airline operators did make those contributions and in closing the last one down, we

MR NOBBS Mr Speaker Point of Order . You keep on about this. That's complete and utter fabrication. Nobody closed anybody down. They went into voluntary liquidation full stop.

SPEAKER Thank you Mr Nobbs

MR BROWN Mr Speaker I'm glad that Mr Nobbs has made the comment he just made. Norfolk Jet Express closed because the Norfolk Island Government

MRS JACK Mr Speaker Point of Order on relevancy. We're discussing the Appropriation Bill for Norfolk Island not a prior company that existed

MR BROWN Mr Speaker I have the right to respond to what has been said by the Minister for Finance

MR NOBBS Mr Speaker I've raised a point of order. I'm speaking now of the position of the particular Member and I believe that he was significantly involved in Norfolk Jet Express and I've said it before and I'll say it again

MR BROWN Find your proof

MR NOBBS Whatever the bits of paper that preceded the situation at Norfolk Jet Express and their voluntary winding up, that was delivered to the office of the Member

SPEAKER Thank you Mr Nobbs. I don't think there is a relevant point of order that I can pull Mr Brown up on. He was speaking in an historic sense in that a

former airline used to make contribution to tourism marketing in Norfolk Island. I've asked Mr Brown to confine his comments to that aspect of Norfolk Jet Express rather than to whom contributed or did not contribute to the demise of Norfolk Jet Express. We are speaking to the budget here

MR BROWN Mr Speaker I will obviously respect your ruling and I will deal with the issue in the adjournment debate where I will be able to say such things as I may wish and if Mr Nobbs has an apoplexy at that time, that's bad luck. Mr Speaker the Government airwing is an integral part of whether or not this budget is achievable. There must begin to be proper accountability for the trading of the Government airwing. There must begin to be a far better greater and more competent, level of support provided to the private sector in order to get the private sector back on its feet to do its part of making this achievable. Mr Speaker the revenue from charges component of the budget proposes to increase pasturage fees. I haven't heard the Minister tell people about this but its sitting there in black white and grey. It is tri coloured and pasturage and dog fees are budgeted this year to increase from the current budget of \$27,000 to \$50,000 so the Minister for Finance is proposing to virtually double pasturage fees. I haven't heard a lot of discussion about that

MR NOBBS Mr Speaker point of order. I've a conflict in relation to pasturage fees and that's why he hasn't hard anything

MR BROWN Mr Speaker it doesn't alter the fact that the document that has been tabled this morning had those words in it and the Minister can't hide behind it by saying, of jeepers I've got some pasturage myself. It's there. It's in black white and grey and unfortunately far too much of what we're talking about is grey. It's proposed that immigration fees increase from the current year's revised budget of \$45,000 to \$100,000 at a time when the number of permanent holders is reduced substantially. Now what are we wanting to do. It is totally unrealistic to want to double the charges for processing immigration documents and if the view of this house is bugger them, they're only TEP holders or GEP holders well I will be the first to support the Commonwealth view that we do not have the brains or the appropriate thought processes to continue to handle immigration. This is the first occasion on which this budget is being considered. It will not be dealt with to finality today. I will have more to say at the time of it's second reading but the community does now have the ability to obtain not only a copy of the Appropriation Bill which is a fairly meaningless document. It talks of cost centres by numbers, and it talks of numbers of dollars but it doesn't really tell you much more than that. You need this second document which I have tabled in order to be able to understand what the budget is really about. It's frightening budget. My recollection with respect Mr Speaker is that the Minister refused to table it. I sought leave to table it. You sought the view of the Minister and he said he had no objection so his memory can't even get back that far, why are we entrusting him with the finances of the island particularly in a time when we are under attack by the Commonwealth because they think we are stupid. Thank you

MR NOBBS Mr Speaker I would just like to make a couple of comments. Just how on the ball my colleague Mr Brown is, that the Telecom revenue for the next financial year in this budget is not \$1.6m its \$700,014 of which \$214,000 is a management fee and \$500,000 is a dividend so if that's rubbish I don't know what is. I would also like to note that in relation to his mentioning a couple of things, the ones on the assumptions, assumptions are usually conservative, as prepared by the Public Service and supported by myself and we thought that the figure of \$35,000 passengers was reasonable. As far as the NSL projections are concerned, its in at 1% because we do not have a really good handle on the economy. It's been said right from the kick off, we've been talking that way for something like 18 months now, but I should be clear that there will be a maximum of eight months at 1% and the remaining four months or longer than we hope to have at a

better grip on things and also a more appropriate levy percentage for at least four months and those were the figures that we came up with.

MR BROWN Mr Speaker firstly could I assist the Minister by explaining to him the meaning of the current financial year. A financial year as all other Members would know is a year which commences on the 1st July and it concludes on the following 30th June. Today if I looked correctly at the date on the programme is Wednesday the 17th May 2006 so when one sits here today and refers to the current financial year, one is referring to the year commencing 1 July 2005 and concluding 30 June 2006 and that is the financial year in respect of which the Legislative Assembly is budgeting to take \$1.614m from the Norfolk Telecom. The budget which we are considering is a budget for the year commencing 1 July 2006 and concluding on 30th June 2007 and in that period I quite correctly stated that the proposal was that \$714,000 be taken as the dividend so when the Minister wants to crow and cackle it would be helpful if he would get a little simple accounting book and work out what the terms mean. I'm grateful that the Minister has told us what he has told us about the GST. He has told us that this budget assumes that the GST continues and that the rate increases to a rate which he has not nominated for the last four months of the financial year. Now that's not what the legislation says. The Minister's own GST legislation says that the whole thing has to be reviewed at the end of this calendar year. Mr Speaker I have the floor and I would be grateful if this clown would just sit there quietly

MRS JACK

Mr Speaker point of order

SPEAKER

Mr Brown would you please refrain from using such language and Mr Nobbs I will give you the opportunity to respond

MR BROWN

Mr Speaker the Minister has brought down a budget which anticipates not only that the GST will continue but that the rate will substantially increase. He has still not answered my question as to precisely what level of gross domestic product does the calculation base itself on and then there would be a further question as to what rate of GST are you assuming will apply for the last four months of the 2006/2007 financial year

MR NOBBS

Mr Speaker just getting back to that I stand by what I said earlier that Mr Brown said there was \$1.6m in the next financial year and his reference to the current financial year was at an earlier date. I haven't got the NAL legislation currently with me but if he reads it and I will say it again, he will find that there is a review to commence in December and that the legislation provides that if there is no review, from memory it says if the Legislative Assembly doesn't approve the ongoing of the levy that it will die on the 1st July next year. On the other side of it, by the end of February 2007 the Legislative Assembly is able to reassess that legislation and make amendments to increase or retain, it may be that they want to retain it I don't know, the current levy rate, but there is provision for all these things to happen. As far as the basis of the estimates, we looked at what we thought was the FIL arrangements and did some calculations which as I said the island economy is not precisely known and we came up with what we believed was a reasonable estimate of returned based on the possible first eight months at 1% and possible increase which we thought may be in place for the last four months and that was an estimate on the basis of those issues as I said and I think there's always been recommendation when it was talked about that it was between 3% and 10% and it would be closer to 10% than 3%. Those are the figures that have been gone through. I don't know precisely what it will be but I thought around about the 7% maybe, the figure that we're looking at, but it will depend on a lot of issues, not the least of these is whether we have the ability to have draw backs or some type of arrangements like that in the process and that has to be decided during the review period because if we have drawbacks and the like, the

position will be that it will have to be higher than it would normally be without them but then you've got to weight that off against the cascade arrangement that occurs and what effect that will be on the local economy. Thank you Mr Speaker

SPEAKER Thank you Mr Nobbs. Any further debate. It appears that debate has been exhausted. I seek a motion of adjournment

MR BROWN I so move

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

QUESTION PUT
AGREED

The motion is agreed to and debate is adjourned. Thank you Honourable Members

PLANNING ACT 2002 – DEEMING OF PLANNING APPLICATION TO HAVE BEEN REFUSED IN CERTAIN CIRCUMSTANCES

MR BROWN Thank you Mr Speaker. I seek leave to move the motion in an amended form Mr Speaker and perhaps if I let you know the proposed amended form you can then decide whether to grant leave. The amended form is, I move that in the opinion of this House ...

SPEAKER Are you referring to the amended version at the moment

MR BROWN Yes

SPEAKER Well I first think I should seek the leave of the House to allow you...

MR BUFFETT If we could hear the motion and decide

MR BROWN Mr Speaker that was the purpose I was endeavouring to... The motion would be that in the opinion of this House –

1. It is in the best interests of the people and the Government of Norfolk Island for the Government to establish and maintain a constructive dialogue with the Australian Government about its proposed future governance and financial arrangements for Norfolk Island ;
2. the vital interests of all concerned for the future welfare of our Island will be enhanced and protected if Government and leadership figures approach their relations with the opposite numbers in the Australian Government in a dignified, courteous and constructive spirit, thus ensuring the fullest exposure to Norfolk Island 's views on the Australian Government's proposals;
3. and that accordingly:
 - (a) Ministers and Members of this House should, in the performance of their official functions, engage in constructive dialogue with Commonwealth Minister , their staff and officials and should not snub or boycott any of them;
 - (b) Ministers should report progressively to this House and the people the nature and outcomes of their discussions;
 - (c) Minister s and Members should carefully consider the options presented by the Australian Government for future governance and, if they are not in agreement with any of them, present their alternative views in a clear and courteous manner; and

- (d) Ministers and Members should take an equally courteous and reasonable approach in relation to the intended visit in August of Members of the Joint Standing Committee, that, as fellow Parliamentarians, they are entitled to be received in accordance with democratic principles

That's the amended form of the motion in which I seek leave that it be moved

SPEAKER My view Mr Brown is that the motions are so vastly different that I would prefer that you either proceed with the motion that's listed on the notice paper and seek leave to introduce the amendment that you have just referred to as a motion in its own right

MR BROWN Mr Speaker I will respect that ruling and I would be grateful if at the end of notice you will allow me to seek leave to move the motion in that form. Mr Speaker the motion in relation to the Planning Act is now unnecessary as on more careful review of the existing legislation there is already a provision in similar terms to those suggested in my motion so I do not propose to move the motion in relation to the planning Act

SPEAKER That motion is so withdrawn. We move on

IMMIGRATION ACT 1980 – INTENTION TO RE-APPOINT PERSONS TO IMMIGRATION COMMITTEE

MR BUFFETT Mr **SPEAKER** I move that for the purposes of subsection 6(5) of the Immigration Act 1980, this House recommends the re-appointment of Joanne Elliott and Barbara Elvy as members of the Immigration Committee for the period 19 May 2006 to 18 May 2008. Mr Speaker as the motion implies this is a proposal for reappointment of two Members of the Immigration committee. The two Members have served for a period of time now and I am recommending that they be reappointed. They have served well and I appreciate the effort that they have put in to date and commend their continuance. In terms of the other Members, there are three other Members, Mr Andre Nobbs, Mr Tim Sheridan and Mrs Lorraine Boudan, they are continuing Members of the Immigration committee and there is no disturbance in terms of their situation at this moment. I commend the motion Mr Speaker

MRS JACK Mr Speaker I would just like to recognise the continued support that these Members of the community give to the Board. It's very hard speaking as a Minister, it's very hard to get community involvement in the Boards and so congratulations or pre-empting the result of the motion but I would just like to acknowledge their continued support, thank you

SPEAKER Is there any further debate Honourable Members? Then I put the question that the motion be agreed to

QUESTION PUT
AGREED

The motion is agreed to. Thank you Honourable Members

EMPLOYMENT ACT 1988 – INTENTION TO RE-APPOINT A PERSON TO EMPLOYMENT CONCILIATION BOARD

MR BUFFETT Mr Speaker this is a similar motion but this time it relates to the Employment Conciliation Board. This motion endeavours to recommend that Mr Richard Kleiner be appointed in this capacity and I therefore that for the purposes of

subsection 65(2) of the Employment Act 1988, this House resolves to re-appoint Richard Kleiner being a person with relevant qualifications and experience, to the Employment Conciliation Board for the period 21 May 2006 to 20 May 2009. Mr Speaker this is a reappointment as is implied and I thank Mr Rick Kleiner for the work that he has done to date and he has agreed to continue. The Employment Conciliation board is a board that looks at employment disputes in certain categories and makes recommendations there from. It is not hugely called upon I might say but nevertheless it is an important part in our employment conciliation arrangements and I commend this motion

SPEAKER Is there any further debate Honourable Members?
Then I put the question that the motion be agreed to

QUESTION PUT
AGREED

The motion is agreed to. Thank you Honourable Members

TELECOMMUNICATIONS AMENDMENT BILL 2006

MR NOBBS Mr Speaker, I present the Telecommunications (Amendment) Bill 2006 and move that the Bill be agreed to in principle. The Bill amends the Telecommunications Act. Currently it seeks to delete section 29. currently section 29 of the Act prevents the Administration from setting a tariff for local calls and as I said the bill will remove this provision. Removal of the provision will allow the opportunity for a charge to be levied on local calls including mobile phone calls that commence and terminate on Norfolk Island. The provision also provides the Government with the ability to vary current international charges. At present international call charges are high and as such are claimed by some to subsidise local calls. Should the Government wish, it could introduce a small charge on local phone calls, thus providing some room for calls to international destinations to be reduced. I was reminded this morning that Philatelic was at its highest in the 1980's that local mail was 1 cent. Now that philatelic is not such a big earner local mail has risen to 10 cents and it was suggested that the proviso of local calls would fall into this category with Telecom not being seen as the cash cow it once was although it is still performing creditably as was mentioned by Mr Brown earlier, competition and the like have reduced the ability for the Government to utilise it as a taxation arrangement. I commend the Bill to the Legislative Assembly

MR BROWN Mr Speaker as I understand the purpose of the bill is to enable charges to be made it is not to impose a charge. I can understand that when cellular phones are introduced which the Government proposes to do, it will be necessary to have a call charge. I recognise that it may be appropriate to have a call charge for the existing mobile trunk radio and in fact, it was agreed several years ago that, that should be done and had that been done the present problems of conjection on the mobile trunk radio would certainly have been less then they are at present. I certainly don't support the concept of imposing a charge on local phone calls outside of cellular phones and mobile trunk radio. But I don't propose to stand in the road of the bill today, but when the Minister brings it back for its second reading I certainly hope that he will say something real to us about the extent to which the cost of overseas calls will be reduced as a result of the imposition of charges on cellular and mobile trunk radio phones and as a result for the prospective substantial decrease in the charge presently levied by REACH or by whomsoever it may be in the future for the provision of their part of the overseas services. It is simply not appropriate that people pay the massive charges which are levied in Norfolk Island and yet you can walk down the street in Brisbane and buy a phone card that allows you to call New Zealand for I think half a cent a minute. The difference is so great that it does need to be attended to. It's

one thing to use telephones as a taxing measure. It's a quite different thing to have a tax at its present punitive level but for the purposes of today I have no objection

MRS JACK Mr Speaker if I could ask for clarification from what Mr Brown has said, are you saying that currently you wouldn't agree to charges being put on local land line phones unless we sought substantial decreases in overseas phone calls

MR BROWN Mr Speaker certainly I'm saying that. The other thing that I would say is there is a high charge in Norfolk Island for the telephone rental itself and that has been justified at times of increase in the past by saying you pay a lot for your rental but you don't pay anything for your calls. If we are going to change the mix then we need not only to reduce the cost of the overseas calls but we need to reduce the rental cost on the lines

MRS JACK Substantial. That word substantial that you use. Is there a percentage

MR BROWN Mr Speaker I have no idea of the proposals which may or may not be before the Government in terms of ongoing Telecommunications...

MRS JACK Sorry. No I just seek your personal view

MR BROWN I would think that when you look at call charges in other places that if we are to introduce a charge at any level for local calls, we should be looking at a reduction of at least \$1 per minute in our overseas charges

MR NOBBS Mr Speaker you mentioned earlier that I should make a statement and it was to be from memory I think, in relation to Telecommunications, but the issues that Mr Brown refers to, the carriage and also the cell call arrangements have not been finalised as yet so I was precluded from doing them but I would sincerely hope that I will have something, and I'm sure I will have something for the next meeting, thank you

SPEAKER Any further debate? Then with no further debate, Mr Nobbs I seek a motion of adjournment

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

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
AGREED

The Ayes have it. Debate is so adjourned Honourable Members

BUSINESS TRANSACTIONS (ADMINISTRATION) AMENDMENT BILL 2006

RECISSION OF BILL

MR NOBBS Mr Speaker, I move that (a) the resolution of the Legislative Assembly on 22 February 2006 that the Business Transactions. Excuse me Mr Speaker. We're doing the first one aren't we. Mr Speaker if I may. There's two bills that follow on and are related to the same thing. (a) the resolution of the Legislative Assembly on 22 February 2006 that the Business Transactions (Administration) Bill 2006 as amended

be agreed to, be rescinded. Mr Speaker the reason for this is that the Business Transactions (Administration) Bill that we passed at our February meeting has been caught up in the issue of whether the funding so raised by this Bill and also the levy one which is coming along shortly, was that the funding raised for that would be used for purposes other than schedule 2 expenditure. It's the same issue that we dealt with, with the NSL bill and what's been suggested and what we've agreed to is that the Bill be withdrawn or rescinded and that a separate bill replace it which will provide, which is the same as it does in the NSL that there's a specific requirement in there in the schedule 2 that the funding raised under this arrangement be expended on schedule 2 items. Is that clear?

MR BROWN Mr Speaker I must confess I'm confused. The Minister may now what he's saying but I haven't quite understood it. I wonder if he could explain it again

MR NOBBS Mr Speaker the issue is the same as what happened with the NSL Bill when we had a special meeting last week in relation to that because we needed to get it through very quickly because of the time factor, that's the NSL bill. The issue is that under the Norfolk Island Act it is specified within schedule 2 items on which expenditure raised by taxes and the like by the Legislative Assembly may be expended. Any expenditure outside those listed items are considered as either schedule 3 or unspecified. The difference is that under schedule 2, schedule 2 matters are referred to the Administrator who assents to them whereas schedule 3 and unscheduled matters are referred to the Governor-General in a long convoluted arrangement and we need to get this in place and operational before the financial year commences. Is that clear

MR BROWN Mr Speaker I do have the benefit of having the notice paper and programme and there is a motion which is set out on the programme and the motion reads as follows and I think it is what Mr Nobbs is wanting to achieve. That the resolution of the Legislative Assembly on 22 February 2006, that the Business Transaction. Is that what we're considering

MR NOBBS Mr Speaker that's what I said. That's what I read out. I read that out ...

MR BROWN I'm afraid you read so much out that it was impossible for a simple person like me to understand

MR NOBBS I'll read it in simple terms

SPEAKER Mr Brown as I understand it, Mr Nobbs is seeking to rescind what the House previously passed and replace it with the next item on the programme

MR NOBBS As simple as that

MR BROWN Mr Speaker I'm trying to work out what the motion is

SPEAKER That is the motion. Any further debate? Then I put the question that the motion be agreed to

QUESTION PUT
AGREED

The motion is agreed to. Thank you Honourable Members

BUSINESS TRANSACTIONS (ADMINISTRATION) AMENDMENT BILL 2006

SPEAKER We now move on to the next item on the programme and Mr Nobbs you have the call

MR NOBBS Mr Speaker, I move that so much of standing orders be suspended as would prevent my introducing the Business Transactions (Administration) Bill 2006 dated 16 May 2006 and for the Bill to be considered through all stages at this sitting. I won't say any more. I've read out what the intention is I believe Mr Speaker and that's it

SPEAKER Honourable Members I put that question

QUESTION PUT

SPEAKER Could the Clerk please call the House

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

SPEAKER The result of voting Honourable Members, the Ayes seven the Noes two, the motion is agreed. Mr Nobbs would you care to proceed

MR NOBBS Mr Speaker I present the Business Transactions (Administration) Bill 2006 dated 16 May 2006 and move that the Bill be agreed to in principle

SPEAKER Thank you Mr Nobbs. The question is that the Bill be agreed to in principle

MR NOBBS Mr Speaker I don't wish to confuse people but as I've stated earlier, the proposal is changing this bill from the last one that went out that we just rescinded, was to provide for the expenditure of schedule 2 items and that's specified in the bill. It's in the budget that the items such as this and the NSL will be expended, or revenue from this bill and also from the NSL Act will be expended on schedule 2 items

MR BROWN Mr Speaker I did not support the earlier version of this Bill and I don't support this version but I do respect the fact that the majority of the Members did support the earlier version. I made my views clear at that time. I don't propose to take the time of the House at this stage in repeating them. I will confine my comments to sub clause 2 of the propose section 2 capital A, that sub clause tries to bring the bill within schedule 2 of the Norfolk Island Act by stating that revenues raised must be used for schedule 2 purposes. Mr Speaker in my view the House needs to do more than it is proposing to do today if that section is to have any meaning. In my view that proposed section is misleading because what happens with the funds is they go into consolidated revenue. There is absolutely no quarantining of them and I would suggest that in respect of the GST legislation and in respect of this legislation if it was passed, further amendment needs to be made so that the funds go into a special account which can only be drawn from for the purposes of schedule 2 items rather than the present situation where it really is

meaningless. It is inappropriate to just say oh well, we spend a couple of million a year on schedule 2 things therefore everything will be okay, so on the basis of my opposition on an earlier occasion to a similar bill and on the basis of my concerns about the proposed section 2A subsection 2 I intend to oppose the bill, thank you

MR NOBBS Mr Speaker just to comment on that, the NSL as Members know and also the Business Transactions Bill when it becomes an Act, the revenue flowing from those will be paid into a separate account, and it will then as is shown in the revenue fund budget, will be utilised clearly on at least two areas that are identified in there for funding that is provided. That's in the budget itself and it's all clear, we're not hiding anything and I agree with Mr Brown, if we didn't do that, it could be perceived that that's what's going to happen and that's why it is clear. Thank you Mr Speaker

MR BROWN Mr Speaker the Minister has just told us that the funds will indeed go into a completely separate account. I wonder if he can give us details of that

MR NOBBS Mr Speaker we haven't any funds coming in yet so we've got nothing in there I can tell you that, it doesn't start until this Bill becomes an Act and we may get some funds or we may not from this and the NSL doesn't start until the 1st July, but it's been established what we call a GBE and I think the title of it is Office of the NSL and Business Transactions full stop

MR BROWN Mr Speaker I wonder if between now and the time of – although the Minister is wanting this dealt with to finality today. I wonder if he could go and make a phone call and come back with an understandable explanation of what he's just said because the creation of a GBE does not cause these funds to be other than from what I can see so far, part of the revenue fund

MR NOBBS Mr Speaker I'm afraid that the Member has some learning to do because if he can recall, that this Government has established a GBE called roads and all funding for that comes from specific areas within the Administration like the registration of vehicles, fines and the fuel levy, they all go into a roads GBE and this will be exactly the same arrangement. Thank you

MR BROWN Mr Speaker can the Minister please tell the House how he has created his GBE for the Business Transactions legislation and precisely how that will operate. Will there be different receipt books, will there be a different bank account, will the funds be clearly quarantined at all times or will they simply be tipped into one bank account

MR NOBBS Mr Speaker I don't understand where this is coming from. I think I should sit down with Mr Brown and just take him through a few of the accounting arrangements that we have within the Administration and it's quite possible as has happened with the roads, and that's the clearest one that's operational, this GBE is not operating as yet, because we haven't got any funds in there for the thing to operate, the roads GBE operates quite effectively as the funds are moved from where-ever they are collected into an account which is the Roads Government Business Enterprise and expenditure is then allocated from that point onwards. Simple

MR BROWN Mr Speaker I wonder if the Minister can tell the House whether every GBE has its own bank account or is the banking for each GBE done through the same account as the revenue fund and if that's the case, how can the Minister suggest that the monies are separated

MR NOBBS Mr Speaker this is getting ridiculous. This is getting to a childish state, may I

MR BROWN Mr Speaker point of order

MR NOBBS .. that the cash at the bank

MR BROWN I've raised a point of order. It is inappropriate for the Minister to refer to another Member in that fashion. He objected to being called a clown. I propose to object to him calling me juvenile or whatever the word was that he used

SPEAKER Thank you. I don't really see a point of order. Mr Nobbs

MR BROWN I'm sure it's in Standing Orders Mr Speaker

MR NOBBS If he got upset about it, no problem but I mean that it's getting to the stage where I think I'm talking to one of my grandkids. The situation is this Mr Brown, you've looked very closely so you've said at those six pages which I haven't got here at the present time, because they've already been tabled, and asked me to table them. I did that. In that there, where do you think the cash at the bank is held for each of those entities

MR BROWN All in one account. That's my point

MR NOBBS On an accounting basis, I suppose it's all held in the one bank too. Is that the problem? Would that be a problem if it's held in the one bank?

MR BROWN Nope. You can have as many accounts as you like at the bank but what I am suggesting to you and what I'm seeking your confirmation on is that all the money goes into one bank account. I don't care which bank the account is held at but all the money goes into account

MR NOBBS Well it does. Of course it does. It doesn't go into one, we have several accounts per se but it is accounted for within that particular area and it goes into the system. There's an accounting arrangement in place. I thought with your experience in these airlines that have fallen over that you would have been right up to date with this sort of thing

MR BROWN Coco's at it again Mr Speaker and I seek to respond

SPEAKER Mr Brown I think we've just about had enough of this so we will move on. I interpret it that meaningful debate has in fact been exhausted and I put the question that the Bill be agreed to in principle

QUESTION PUT

SPEAKER Could the Clerk please call the House

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

SPEAKER The result of voting Honourable Members, the Ayes seven the Noes two, the bill is agreed to in principle. We now move to the detail stage. Is it the wish of the House to dispense with the detail stage. Mr Nobbs I seek a final motion

MR NOBBS I so move Mr Speaker

SPEAKER Honourable Members there being no further debate I put the question that the Bill ...

MR BROWN Mr Speaker point of order. Could you advise the House of the precise nature of the question which is being put

SPEAKER That the Bill be agreed, which was what I was about to say Mr Brown. We have dispensed with the detail stage and we are now at the final stage

MR BROWN I didn't hear that motion Mr Speaker

SPEAKER Mr Nobbs in fact did move such a motion

MR BROWN Mr Speaker Mr Nobbs stated "I so move" without the motion having been defined

SPEAKER The question is that the Bill be agreed to

QUESTION PUT

AGREED

MR BROWN NO

MR T BROWN NO

MR BROWN Mr Speaker I'm content that the Clerk note that there were two noes

SPEAKER Thank you. I think the ayes have it. That bill is agreed

**BUSINESS TRANSACTIONS (LEVY IMPOSITION) AMENDMENT BILL 2005 and
BUSINESS TRANSACTIONS (LEVY IMPOSITION) AMENDMENT BILL 2006**

RECISSION OF BILLS

MR NOBBS Mr Speaker, I move that (a) the resolution of the Legislative Assembly on 22 February 2006 that the Business Transactions (Levy Imposition) Bill 2005 be agreed to and (b) the resolution of the Legislative Assembly on 15 March 2006 that the Business Transactions (Levy Imposition) Bill 2006 be agreed to, be rescinded. Mr Speaker this is similar to the previous arrangement because these two bills run in tandem. We passed them in tandem and I seek the withdrawn of these Levy Imposition Bills because they ran into the same sort of problems as the Business Transactions (Administration) Bill did and that is in relation to schedule 2 expenditures

SPEAKER Thank you Mr Nobbs. Any further debate? Then I put the question that the motion be agreed to

QUESTION PUT

AGREED

The motion is agreed to. Thank you Honourable Members

BUSINESS TRANSACTIONS (LEVY IMPOSITION) AMENDMENT BILL 2006

MR NOBBS Mr Speaker I move that so much of standing orders be suspended as would prevent my introducing the Business Transactions (Levy Imposition) Amendment Bill 2006 dated 16 May 2006 and for the Bill to be considered through all stages at this sitting

SPEAKER Thank you Mr Nobbs. I put that question to the House

QUESTION PUT

AGREED

MR BROWN NO

MR t brown NO

The ayes have it. We know that there were two noes. Mr Nobbs would you care to continue

MR NOBBS Thank you Mr Speaker I present the Business Transactions (Levy Imposition) Amendment Bill 2006 and move that the Bill be agreed to in principle

SPEAKER Members the question is that the Bill be agreed to in principle. Mr Nobbs would you continue please

MR NOBBS Mr Speaker the Levy Bill was passed as I said. It set the levy to be imposed and we passed it initially and then there was a change in relation to the title from what I can recall or the actual date in the title and that was passed and it was to go ahead, but it's run into the same sort of problems that we had in relation to the other bill and the NSL that schedule 2 issues, that is the expenditure of revenue on schedule 2 items and we need to get this through and operational before the commencement of the next financial year, thank you Mr Speaker

SPEAKER Thank you Mr Nobbs, is there 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 NO

MR T BROWN NO

SPEAKER Mr Brown do you wish the House to be called

MR BROWN Mr Speaker if the votes could be recorded

SPEAKER We note that the two Mr Browns recorded a no vote. Therefore that is agreed. Is it the wish of the House to dispense with the detail stage. Yes. Mr Nobbs I seek a final motion

MR NOBBS Mr Speaker I move that the Bill be agreed to

SPEAKER Thank you Mr Nobbs, is there 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 NO

MR T BROWN NO

SPEAKER The ayes have it and once again we will record the two no votes. That bill is so agreed

LEAVE TO MOVE MOTION – MR J T BROWN

MR BROWN Mr Speaker would it be appropriate for me to seek leave to move a motion at this stage

SPEAKER Thank you Mr Brown. Is this in respect of the previous motion. Honourable Members Mr Brown has sought leave to move a motion which is he now circulating

MR BROWN Mr Speaker I seek leave to move the following motion a copy of which has been distributed to Members, that that in the opinion of this House –

4. It is in the best interests of the people and the Government of Norfolk Island for the Government to establish and maintain a constructive dialogue with the Australian Government about its proposed future governance and financial arrangements for Norfolk Island ;
5. the vital interests of all concerned for the future welfare of our Island will be enhanced and protected if Government and leadership figures approach their relations with the opposite numbers in the Australian Government in a dignified, courteous and constructive spirit, thus ensuring the fullest exposure to Norfolk Island 's views on the Australian Government's proposals;
6. and that accordingly:
 - (a) Ministers and Members of this House should, in the performance of their official functions, engage in constructive dialogue with Commonwealth Minister , their staff and officials and should not snub or boycott any of them;
 - (b) Ministers should report progressively to this House and the people the nature and outcomes of their discussions;
 - (c) Minister s and Members should carefully consider the options presented by the Australian Government for future governance and, if they are not in agreement with any of them, present their alternative views in a clear and courteous manner; and
 - (d) Ministers and Members should take an equally courteous and reasonable approach in relation to the intended visit in August of Members of the Joint Standing Committee , that, as fellow Parliamentarians, they are entitled to be received in accordance with democratic principles.

That's the motion that I seek leave to move Mr Speaker

SPEAKER Thank you Mr Brown. Honourable Members Mr Brown has sought leave to introduce this motion into the House and I seek your guidance now. Is leave granted

MR NOBBS No. And I'll tell you why. I'm completely insulted by this bit of paper here. This is a dreadful slight on the fellow Members of this Parliament. We do that precisely. We do precisely those things now. We do deal with them. Courteously and with respect. I can't... I'm so angry with this type of arrangement coming from a Member of this House who has reportedly just been to Canberra and I'm just wondering what the background of all this really is Mr Speaker. I'm so incensed, I'm fuming. No.

SPEAKER As I understand it, leave has to be unanimous and in this instance we have had at least one, maybe two noes registered, so at this stage leave is not granted

MR BROWN Mr Speaker I move that so much of Standing Orders be suspended as may be required in order to enable this motion to be dealt with by the House

SPEAKER Thank you. Honourable Members I am required to put that to the House

QUESTION PUT

SPEAKER Could the Clerk please call the House

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

SPEAKER The result of voting Honourable Members, the Ayes two, Noes seven, for leave to be granted we would need six ayes, and that number has not been achieved and therefore leave is not granted

APPOINTMENT OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

SPEAKER Honourable Members we resume on the question that the motion be agreed to and Mr Brown has the call to resume

MR BROWN Mr Speaker at a previous meeting a moved a motion calling for the establishment of a Public Accounts and estimates Committee. I don't propose to add to what I said on a previous occasion other than to suggest that over the period since August 1979 when self Government began the Parliament in Norfolk Island has slowly evolved. In other places a Public Accounts and Estimates Committee or a committee of a similar name, forms a very important part of what is done. Similarly a Public Works committee and I propose to deal with that in a motion on a subsequent day but most importantly a committee of this type enables the backbench Members as such committees are comprised of back bench Members to properly fulfill their duties to the community to hold the Government accountable and that's what this motion is about. It's a motion about accountability, it's a motion about transparency and it is a motion which is aimed to show those who are looking at us that we are now taking another step forward in ensuring that accountability and transparency are now and will continue to be regarded as very important. Thank you

MR GARDNER Mr Speaker I spoke I believe at some length in support of this motion at the sitting at which Mr Brown originally introduced the motion. I have nothing further to add. I believe other than Mr Speaker that I am satisfied at this stage that there is a proposal to adequately resource such a committee as we do in accord with other select committees, standing committees and otherwise of this House and having been satisfied that that has been taken into account I have no further comment to make although I do support the Bill

MRS JACK Mr Speaker similarly I said I would support Mr Brown's motion in the April sitting of the House. A couple of concerns that have formed in my mind is the inclusion perhaps in order to try and balance, of an outside Member being invited to assist. Just as I said, for a more balanced view of a very small community, and some may see a need for involvement from the private sector in the ongoing actions of this committee; another one is the matter of when it's to be started. I note in Mr Brown's motion that it's at the opening of a new House that this committee would be chosen to exist and I'm just wondering if Mr Brown in view of the motion that follows this, would actually want to see to begin in this Legislative Assembly to provide substance to his next motion on the notice paper

MR BROWN Mr Speaker to answer the second question first, I would certainly see if the motion is passed, that it would be desirable to establish the committee as soon as possible, notwithstanding the words of the motion. To go back to the first part of Mrs Jack's question, it is an important question. It would take the committee outside of a normal Public Accounts and Estimates Committee unless such a person was a consultant of the committee rather than a Member of it. I've an open mind about the suggestion and I would have no difficulty in supporting an adjournment of the motion today so that, that can be given thought to. My proposal has been that we start to move the Legislative Assembly towards a traditional committee system and as I said, that would involve a Public Works committee and it may involve some others, but there is a limited number of people, available to serve on the committees, their skills are varied, it is not difficult to accept an argument that a committee may benefit either through having a consultant available or through having a wider Membership such that it wouldn't be in the nature of a Standing committee of the Legislative Assembly but in some other nature. I have no difficulty with adjourning the motion so that, that could be given some thought Mr Speaker

MRS JACK Mr Speaker if I may, I have no desire to slow the process. I think the intent could be seen from Mr Brown's words then that he would have no difficulty in considering it as the committee is being drawn up. If he thinks it is necessary for us to come together again and further debate the issue, well I'll leave that to Mr Brown but I think it's an aspect that could be drawn on as the committee itself is raised. I don't know of any special actions that have to occur in this arena to include it. Perhaps that would be the deciding factor of delaying it another month

MR BROWN Mr Speaker committees in other places have support staff. My initial reaction is that there would be no reason for a Norfolk Island committee to have any reluctance to having any support personnel in terms of advise but I think it would be wise to adjourn the motion today so that we can consider the question of whether such a person would be a member of the committee or would be an advisor to the committee. If that person is to be a Members of the committee then the mechanism that I'm proposing would require some form of amendment. I've no difficulty with that but I think it needs to be thought about

MR NOBBS Mr Speaker I've no problem with the concept of such a committee but I really have some concerns about the reasons and one of the reasons given was that it would on the basis of its activity which is elsewhere, that it properly holds Government accountable. Well I don't know whether Members know but normally on those such committees the Government has a majority of Members so the accountability aspect is tarnished a little in relation to that although some Members of those committee have been known to swing all over the place and not support their particular colleagues in the Government of the day, but it's difficulty in our situation here to find Members who are available outside of the four Members who are the Government. The second point I looked at, was what Mr Brown referred to, as it provided accountability and transparency. What I'm a little bit concerned about in that area is that there may be a perception and I don't think he

would have wanted that perception to hold, that there was no accountability and transparency under the current arrangements. Now we've had some budget sessions as far as the current budget is concerned, and there's considerable transparency. I don't think in any Parliament that they provide financial indicators every month for instance for how the Government is actually running and I would just want to make it very clear that we do have in place at the present time, considerable accountability and transparency and I can understand if we have 109 people instead of nine in this parliament, we would be representing 1000's of square miles that there would maybe be a need for more accountability but in this small island I would have thought that our accountability was relatively good at this point in time, but I have no problem with the concept per se, I just wonder if we look at support personnel whether they are tied to the committee or not, whether they would not really have a great role in the committee. It's just Mrs Jack suggested a Members from outside the system. Whether this is possible I don't know. I would prefer a full membership. If you were looking at a person from outside, but it's up to Members

MR BROWN Mr Speaker I've had the opportunity to speak briefly with the Clerk and with the benefit of the Clerk's advise it would seem that it is quite possible for us to deal with this motion today because it doesn't appoint the Members to the committee and on a subsequent day if this motion was to pass we would be appointing the Members and the clerk has advised me that it would be quite appropriate for the issues suggested by the Minister for the Environment to be dealt with at that later stage and so on that basis, if Members are prepared to deal with the matter today I would be happy for it to be finalised, if Members would prefer that it be adjourned then I'm quite content with that

MR NOBBS Mr Speaker I would prefer it be clarified so that we actually know what we are voting on. Not the Members as actual people but if we are allowing that concept to progress well we should be able to clarify that and vote on it

MRS JACK Mr Speaker I'm sorry. It was my understanding that, that would be decided when the Membership came up, that we could go ahead and vote for this today and when the Membership is being decided then it would be brought back to the House for further discussion

MR NOBBS Mr Speaker if I may I don't know, but it's the concept isn't it. There's a complete change in concept

MRS JACK No

MR NOBBS By providing a Member from outside the legislature or parliament to be part of those. Isn't that what the question is, not really who's actually going to be on there

SPEAKER I think Mr Nobbs I can provide some clarification for you. As I understand the Public Account and Estimates Committee, only MLA's can be Members of that committee but the committee as a whole has the ability to co-opt anybody from within the community to provide that committee with advise but they are not formally Members of that committee

MR NOBBS Mr Speaker so we are voting on that concept. That's not what Mrs Jack wants

MRS JACK No no. As long as there's the ability for a person to come in

SPEAKER And there is that ability. I'm not sure if there is a mechanism to appoint a person who is not a Member of the Legislative Assembly to the Public Accounts committee. Is there any further debate? Then I put the question that the motion be agreed to

QUESTION PUT
AGREED

The motion is agreed to. Thank you Honourable Members

PRIVATISATION OF VISITORS INFORMATION CENTRE, POST OFFICE AND TANALITH PLANT

SPEAKER Honourable Members we resume on the question that the motion be agreed to and Mr Brown has the call to resume

MR BROWN Mr Speaker I don't propose to add to what I said on the previous occasion, this is simply a motion asking that the responsible executive Member investigate and then report to the House in terms of privatisation in whatever form of the Visitors Information Centre, the Post Office and the Tanalith Plant. The motion doesn't involve our saying yes, we want to go ahead and privatize them, it involves us simply saying Minister would you go away, do some work and come back with a report to tell us about the pro's and con's and whether you think we should. Thank you

MRS JACK Mr Speaker as Minister I would comment if I may on the Tanalith Plant. It's not so much as a report to the House but just some words put together. To privatize the Tanalith Plant on its own wouldn't be a viable proposition for a person to take on. Its current status could be described as follows, the Tanalith Plant has been operating on a shoestring budget for many years, the building plant and equipment are in moderate to poor condition, and if we were to privatise the operation due diligence and correct duty of care to any new owner would necessitate or could possibly necessitate rather significant expenditure on investigation and remedial work, however, we could sell it on, on an as is situation for a lower than true worth value, but that in itself would defeat the purpose of privatising, selling off an operation that in my opinion could be better run provide a greater range of products at a price that reflects true cost recovery consideration. Once the operation is performing better then sell it off or tender it out, perhaps even keep it on the books. It is one thing to sell and operation because the current owner operator doesn't have the why or wherefore to fix it. It is a totally different picture to take an operation, improve the running measures and then sell it off. Value add to it and then sell. At the bottom of all of this sits the questions, does or should the Administration be involved with the Tanalith Plant. Could someone else do it better, do we want to sell it off as is or are we capable of improving the operation of the Tanalith Plant, value adding to the current operation and then selling or tendering it out. Mr Speaker how to improve the business performance of the Tanalith Plant. One possible view is to establish it as a GBE in order to bring all its costs and income under the entities own banner in order in order to get a much better cost recovery picture. There would be for example a budget for the supply of logs for processing. Current operating costs are quite low and there appears little scope for improvement. Where there is room for improvement is to increase throughput and value on products that we can develop from pine and gum harvesting. For example a common view throughout the community is that we should not be importing fence posts and landscaping logs. All that money being sent offshore rankles with many in the community myself included. There is also an increase in pole construction on the island in building and this provides a further opportunity for expansion of our base. Eco tourism and adventure tourism are moving up the list of actions that Norfolk Island has to offer and greater emphasis and work must be placed on reserves by Forestry. As a result one could say bring in contract harvesting. This would also allow for truer costs to

be calculated and improve the performance of the business, the possible GBE Tanalith Plant as the true costs of harvesting would be known. My view is that privatisation of the Tanalith Plant on its own is not enough. Harvesting would need to go with it. If we sold the plant we would still have the raw product and where is the guarantee that the new owner would buy the raw product unless we could harvest economically. Both aspects must be looked at, improving the performance of the plant by improving the flow through of the raw product. Apparently the plant operates at about the 60% mark and so there is definite room for an increase in production there. The price of the tanalising solution has increased markedly and the current price of the product does not show this so there is again, room for improvement as that anomaly is fixed. This problem is exacerbated when we process timber for onselling by others. As already stated, a better method of harvesting would see more of our product being treated. Mr Speaker I've not mentioned any possible incentive to existing staff for them to tender in any privatisation process. This is due to the fact that I believe the business is not at that stage. But there are a couple of points I would like to raise before I finish, and I was just wondering exactly the methodology behind Mr Brown's choosing of these three areas in which to ask the Ministers to move. I would just be interested in the reason behind it and the second one is that the prior motion was for an appointment to the Public Accounts and Estimates Committee and I wonder if we are not bypassing potential use here and I think I stated earlier just a few minutes ago that perhaps this would be or could be the first matter to be considered by that committee once established, thank you and I thought I was jumping the gun by doing it in this rough method, thank you

MR BROWN

Mr Speaker I certainly wouldn't want to be accused of trying to rush anything. There's been no rush in improving the business at the Tanalith Plant in the 27 years of self Government. I don't think that the Tanalith Plant is greatly different now to what it was. It had workplace health and safety issues looked at, but I wonder to what extent we kid ourselves. In all the years that the Administration ran the place before self Government and in all the almost 27 years since self Government we haven't really managed to get it to work correctly. That's evident from what the Minister has said to us. That's not intended to be a criticism of the staff that worked there over that time in any way but after 27 years do we say we need a bit more time or do we simply say holy Dooley, this budget document that we put on the table today, tells us that we are up that proverbial creek without a paddle. We need to make some decisions quickly and really get stuck into this issue of privatisation is one of the decisions which in my view, needs to be made quickly. I accept that it may be a suitable thing for the Public Accounts and Estimates Committee to look at, I have no difficulty with that but the Minister for the Environment has shown that she has been capable of preparing a report in time for today's meeting and the motion hasn't even been passed so it's not going to be a big task for the other executive Members to prepare similar reports. Those reports would be very helpful to a Public Accounts and Estimates Committee perhaps because that might be the next step that could be taken. Logically if you said, can we have report, you then decide whether the whole House deals with it or whether one of your committee's do. So I would like to see the motion passed, but I have no difficulty at all with the suggestion that the following step might be to then have it dealt with by the Public Accounts and Estimates Committee

MR NOBBS

Mr Speaker I find that the real issue in relation to privatisation of assets in a small economy and that is a key issue that the Members would have to consider very very carefully because I recall that the Administration years ago had a particular facility that was then on sold, or I turned up here and it wasn't with the Administration any longer so I don't know what the arrangements were and that's now become a monopoly in its own right and these sorts of issues are very important in the privatisation area, as I say. If we had two of those particular facilities or more it's fine but when you've got such a small economy and we do have areas where we only have one of this and one of that, then the monopoly situation flies so that one of the major principles of private operation and they used to keep telling me, though I don't know whether they still do

any more, was that competition is what it's all built on. I don't know whether it is anymore but that was one of the principles that was hammered in several years ago when I was looking at these particular aspects. So I think that first word is what needs fair consideration and Mrs Jack came down to the Tanalith Plant and read out her concerns and the like in privatising that. Well, in actually privatising that facility is something that we should look at first. What's going to happen after its privatised. What effect will it have on the community. Is it better. And I'm not saying that all these places work perfectly, I've never said that, but to look at a move for commercialization of it, and then look at corporatisation arrangements and then possible privatisation after that and then you can cover your bases maybe. These areas by putting them through that particular process the community may say, hang on, we don't want to sell that. That's going alright. It's providing great service. It's returning a dividend to the community as its shareholder, bearing in mind that in all these, the shareholder is the community. I think they've said to us that some of them aren't going as well as they should be and that's fair enough too. Others are going really well. Others we don't charge the full commercial cost of providing certain services. Well that's fine because the community expects the thing and they are prepared not to take dividends or the like out of that particular facility if the price is kept down accordingly, so to me, I've got no problem with looking at this particular area which is mine, so the post office and I wonder if that includes Philatelic as well or not or just the post office on its own, and if Mr Brown could clarify that for me it would be fine but please before you do anything look very closely at the impact of privatisation in such a small community and economy and I'm not supporting in any way the view of the public service, or some Members of the Public Service anyhow and I think the PSA have a fairly strong view that nothing should be privatised and we should just leave everything virtually the same but I do believe we need to look very closely at that privatisation aspect from a community perspective. Thank you

MR BROWN Mr Speaker the present motion does not refer to the Philatelic Bureau but that could be the subject of a future motion but if it was a simple task for the Minister to deal with both the post office and the Philatelic Bureau in a report well that would be all the better

MR T BROWN Thank you Mr Speaker before the Minister mentioned many of the different sections give dividends to the revenue fund, that's true, but all of them don't tend to account for their depreciation and that's a problem that we are stuck with at the moment and this privatisation would get that off our books so we wouldn't need to worry about paying for the annual upkeep of the facilities any more and that's another thing that you have to keep in mind when discussing things like this

MR NOBBS Mr Speaker just very quickly, that's why I'm saying that we should move through the commercialization stage and then go on from there. If you know what I mean. But we should look at all those aspects from a commercialization arrangement and find out what it's going to cost. Like electricity, if we fully commercialize the electricity arrangement it would be a lot more, something like 64 cents per unit to produce when the unit cost was 34 cents or something like that, but it's a significant different to a commercial basis. And sure you could get some efficiencies as explained by the private sector, well that's fine, but that's the way it is. If you look at those we need to look at them as a commercial entity as well. So first off, how do we commercialise them

MRS BOUDAN Mr Speaker I'm certainly not in favour of privatisation and really if an offer has not been made to us what is it that we have to consider in that light

MR BROWN Mr Speaker bearing in mind that Mrs Boudan is a Member of the Public Service I wonder if it is appropriate that she should join in debate in this matter

MR NOBBS Mr Brown you're a Member of the private enterprise and you would probably be interested maybe in some of these so I don't know, so is it appropriate for you to vote. I may wish to buy the post office. Is it appropriate for me to vote. That's why we are getting around to the system again and I'm surprised at your bringing it up

MR BROWN Mr Speaker just to assist Coco, I certainly don't have any intention..

MRS JACK Mr Speaker Point of Order. Mr Brown I am listening to you..

SPEAKER Would you please withdraw those words Mr Brown

MR BROWN I haven't called him a clown, I'm calling him Coco

SPEAKER Well that's racist

MR BROWN I'll withdraw racist comments

SPEAKER And on the matter of Mrs Boudan, we're not actually in your own words speaking about selling the stuff now we are looking at the commissioning of a report and I don't see Mrs Boudan has any conflict of interest whatsoever so I will allow you all to continue

MR BROWN Mr Speaker I move that the question be put. Mr Speaker I'm happy to old that motion back if the Chief Minister has something to say

MR GARDNER Mr Speaker just briefly. As Members would be aware at the introduction of this motion to the House I believe at the last sitting and I'm not quite sure of the wording of the original motion but I think it requested that those reports come back to the next sitting of the House. Maybe the next or a subsequent sitting of the House. The reason for that is as I indicated at the last sitting I was very keen to have the Tourist Bureau Manager come down and address us on the subject, the pro's and con's and that has occurred. Probably more con's than pro's fro the Tourist Bureau Managers point of view but obviously that needs some further expansion on it. There has been further supporting documentation on it that I'm trying to draw out so that I can provide it for Members attention and information including reports undertaken by tourism consultant John King, who's very well respected in the industry Australia wide who's suggestion was that we maintain the Visitors Information Centre as an integral part of our forward operations for the Tourist Bureau. Again there will be debate on whether he's right or whether he's wrong and it's going to be one of those arguments right across the board in relation to any of these, but I certainly have no issue with bringing a report back to this House which I guess clearly sets out some of the argument. We've already heard some of the arguments already contained in other documentation and no doubt there will be additional arguments that arise in the intervening time and I'm happy to bring those back. I need to probably point out that in the current budget before us with the local operations or local activities which are generally activities of the Visitors Information Centre when we look at the Tourist Bureau budget and their request for a subsidy that this year it was proposed in their original budget of nigh on quarter of a million dollars in total to support those activities and looking through the income side of their budget it would be noted that approximately \$100,000 or thereabouts is picked up by way of retail sales through the Visitors Information Centre commissions on restaurants, tours and also the 5% commission that they receive for the collection of the departure fee at the Norfolk Island airport. Clearly there's an imbalance as far as the revenue that comes in to support the operations of that as it currently exists and the activities that are currently undertaken are arguably heavily subsidised by the grant that's provided by the Norfolk Island Government

and obviously those are things that need to be taken into consideration when weighing up the pro's and con's of privatisation in any form or fashion. However, that isn't intended as a comment to discount in any way any initiatives, any entrepreneurial activities of somebody taking on the Visitors Information Centre might pursue in any way, it's really just to try and establish some of the costs, some of the income that currently exists but as I've said, I'm happy to do that, I know what very stretched resources the Visitors Information Centre have under the proposed budget at this time. We might be a little bit stretched to have a full blown and comprehensive report prepared in that period of time but certainly I'm happy to attempt to undertake that and hope that I won't be penalized if I don't make the time frame as envisaged by the motion. I've already got the ball rolling, I'm already trying to provide as much information to Members so we can make an informed decision on this and I'm sure that's exactly what will happen with the post office and the Tanalith Plant and they'll certainly take on board Mrs Jack's comments about the Public Accounts and Estimates Committee needing to look at these things. I'll bet that, that committee is going to be extremely busy looking at all facets of Administration undertakings and everything that the Government involves itself in and that will be an obvious priority I believe of that committee when it's formed. Thank you

MR BUFFETT if I might just say these words Mr Speaker. We have talked on earlier occasions with some vigour the matter of the way we need to move forward here in Norfolk Island and we have talked about that we need to invigorate the economy, that we need to undertake some restructuring within Norfolk Island and we have then said that we need to have significant dialogue with the Commonwealth on the basis of those two things. Within recent days for example, there have been some significant announcements about the airlines which will be a great boost in terms of the reinvigoration programme. But in the restructuring programme Mr Nobbs for example has recently introduced in the last sitting an NSL arrangement and we also know that there have been significant toil arrangements within the service which have introduced the economies and the like. I just really say all of that as an overview to recognise that this particular motion which is talking about examining privatisation is another aspect of looking at how or if we should restructure and therefore it has merit in that context. I think it must be emphasized at the very outset that looking at this motion as it stands at this motion which is one of examination doesn't pre-empt that this is necessarily what we will do, it's examining whether we should move in this direction and give it proper and objective examination and I don't have any difficulty with a proper and objective examination. In this particular case it's to look at the Visitors Information Centre, the Post Office and the Tanalith Plant and all of those things that have been said about those three areas may well apply. They need to be evaluated and some decision made upon them and so I don't see any difficulty in supporting this motion. I would however also caution as the Chief Minister has about the time frame. These are fairly significant areas in their own right and it may well take more than just the month to our next sitting, notwithstanding that the Chief Minister and Mrs Jack in her environmental sphere has already obviously undertaken some examination to date but I think to bring them all together may well take more than the month that is to run so I wouldn't have any difficulty Mr Speaker if in fact it was the sitting after that in all of the circumstances if we had to wait that long. So I don't have any difficulty with this, I would support it, but I need to emphasise that it doesn't indicate support that we move in that direction at this time. It means examination as to what is the best method to pursue those. There are a whole host of factors we need to obviously consider things like the quality of delivery of service in these areas, the mono politic aspect if it applies and that has been mentioned by others. Employment factors in terms of those and I know that that's a factor that Mr Brown mentioned, particularly in the motion itself. I don't recall the exact words but I do remember him mentioning something like employees having an option to be able to come forward with proposals about continuity of that service or the like. They are important factors but a particularly important factor is to measure the return to the Public Service purse of the activity at this moment, measured against any future arrangement. I think that's an important factor also and there are a range of others. In brief

Mr Speaker I would support the motion. The one month cycle has a query in my mind and I emphasise the matter of examination to look at on its objective merits and then be able to make a decision after that

MR NOBBS Mr Speaker can I ask is he to move an amendment

MR BUFFETT No. What sort of amendment

MR NOBBS The month to month thing

MR BUFFETT I'm happy to move such an amendment. You'd better give me the words that Mr Brown gave. I haven't got them in front of me but I'm happy to quickly look at them

MR BROWN Mr Speaker I think that the motion accommodates what's been spoken of because a report can be as simple as coming back to the House and saying I'm only half finished, I'm going to be another month. What the Chief Minister was alluding to, I certainly have no difficulty with it because it's a commonsense interpretation of the motion

SPEAKER Thank you Mr Brown. Mr Nobbs my interpretation from listening to debate is that the wider Membership would have no difficulty in the period being extended so I think we are able to deal with the motion as it stands. Then I put the question that the motion be agreed to

QUESTION PUT

AGREED

MRS BOUDAN ABSTAIN

The motion is agreed to. Thank you Honourable Members. Madam Clerk would you please record Mrs Boudan's abstention

We now move on to Orders of the Day.

HEALTHCARE (MEDICAL EVACUATION FUND) BILL 2006

SPEAKER Honourable Members we resume on the question that the Bill be agreed to in principle and Mr Buffett has the call to resume

MR BUFFETT Mr Speaker I won't be repetitive about the detail of this bill except to give an overview in that it relates to creation of a medial evacuation fund under the healthcare umbrella. The bill that is in front of us really has provisions that covers the technicality of achieving that and it endeavours to make adjustment to the terminology within the principle bill so that it covers both the healthcare fund and the medical evacuation fund and that is the thrust of most of the provisions. When we come to the detail stage I do have an amendment. It is one that was foreshadowed when we last discussed this and it relates to better defining evacuation costs so that we are talking about a life at risk situation when we undertake evacuations of a medical nature. I commend the bill to the House in the form that we've got it and to be slightly amended when we come to the detail stage

MR BROWN Mr Speaker I'm troubled by the proposal that a person being transported either on a charter flight or on a stretcher on a scheduled service will only be asked to contribute \$2500. In my view that is going to cause big problems further down the track because it is only a matter of time until people take a view that well, I'll pay the \$2500 but I want my charter flight. I would prefer to see a figure not less than the \$5000 that

was originally spoken of. My impression around the table is that I have little support for that. I can see that it is nearly a quarter past one and I don't propose to take the time of the House in moving an amendment along those lines. I will simply support the bill in its present form, noting that I would prefer the \$5000 figure rather than \$2500 and I would support the proposed amendment to the bill. Thank you

MR T BROWN Thank you Mr Speaker I share the concern of Mr Brown and hope that we can cover costs with the amount of money we are needing to be paid. Apart from that I will be supporting the bill and the amendments

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

QUESTION PUT
AGREED

The Bill is agreed to in principle. We move now to the detail stage and Mr Buffett has foreshadowed amendments

MR BUFFETT Mr Speaker Thank you. Could I move, there is only one and if I might move it forthwith and then we might look at the balance of the bill in its entirety. I move that the definition of "evacuation costs" in clause 14 of the Bill be amended by substituting for the words "or whose life is at risk if not so evacuated, or both", the words "and whose life is at risk if not so evacuated". You will understand from this that it doesn't give an and/or situation, it doesn't give a situation where both of them needs to be the case, it needs to be the case that one of them prevails that a life is at risk and that is the sole amendment that I make in terms of this piece of legislation

MR BROWN Mr Speaker I think one thing that is important just to emphasise that it makes no difference to the passage of the bill. This bill deals only with the situation of people who are Members of the Healthcare Fund. It doesn't deal with visitors, it doesn't deal with people who hold suspensions of the requirement to be a Member of the Healthcare Fund and the situation is a little clouded in terms of others who may be picked up under our HMA situation rather than under healthcare. More needs to be done. Firstly in order to ensure that adequate funding is available and secondly in order to ensure that those other people are covered. Make no mistake, from time to time visitors to the island have to be evacuated. Are we going to go to all the trouble of setting up this scheme and then just send the visitors out and send them a bill and never get paid or are we going to try to put together a far more all inclusive scheme. I've discussed what that needs to include on previous occasions. I won't waste the time of the House with it today but at a later date we will need to revisit this to sort out the remaining problems, thank you

MR BUFFETT Mr Speaker I explained at an earlier time that there were some provisions that we could and should get done now and that's encompassed in the legislation that's in front of us. It's acknowledged that there's still some areas to be tidied. One there has been foreshadowed a cigarette tax or levy so that might be attached to the fund, also it would give a greater pool and then we could extend to some of the areas that Mr Brown for example has just mentioned. Instructions are progressing with in fact doing some of that and when they are ready, to be able to supplement the information and supplement the legislative provisions that we already have and they'll be brought forward in that context

MR BROWN Mr Speaker I move that the question be put

SPEAKER Mr Brown Mr Nobbs was seeking the call

MR NOBBS Mr Speaker thank you. This won't take long. I just want to say that this has been around for a long time and it's going to be ongoing and we need to audit the performance of the bill once it's in place and becomes an act and I just sought to thank Mr Buffett for pushing it through because as I said the last time, this has been hanging around since 2001 and I'm pleased that Mr Buffett is making the time to get it movement and I think we should pass it straight away and look to any changes that are needed as they occur along the way

SPEAKER Thank you Mr Nobbs. I take it that debate has been concluded and the question is that the amendments be agreed to

QUESTION PUT
AGREED

The next question is that the clause as amended be agreed to

QUESTION PUT
AGREED

The next question is that the remainder of the Bill is agreed to

QUESTION PUT
AGREED

I look to a final motion Mr Buffett

MR BUFFETT Mr Speaker I move that the Bill as amended be agreed to

SPEAKER The question is that the bill as amended be agreed to

QUESTION PUT
AGREED

The Bill as amended is agreed

TELECOMMUNICATIONS AMENDMENT BILL 2005

SPEAKER Honourable Members we resume on the question that the motion be agreed to and Mr Nobbs you have the call to resume. Mr Nobbs

MR NOBBS Mr Speaker I seek leave of the House to withdraw this Order of the Day, the Telecommunications (Amendment) Bill 2005

SPEAKER Honourable Members is leave granted. Leave is granted. Honourable Members that Bill is so withdrawn

LEGISLATIVE ASSEMBLY (AMENDMENT) BILL 2006

SPEAKER Honourable Members we resume on the question – That the Bill be agreed to in principle and Mr Brown has the call to resume

MR BROWN Mr Speaker this is a bill which aims to reduce the number of votes which can be cast in favour of any particular candidate at a full election from four to one. So it is intended that we go back to the first past the post system which operated many

MR BUFFETT

NO

Madam Clerk, would you please record Mr Buffett's no vote. The Bill is agreed to in principle. We move now to the detail stage and Mr Gardner I understand that you are seeking leave to move an amendment. Leave is so granted

MR GARDNER

Mr Speaker thank you. The amendment is in relation to clause 4 of the bill before us. I therefore move that the No 1, appearing in clause 4 be substituted for the No 2

SPEAKER

Okay. The motion before us is as the Chief Minister has outlined. Is there any further debate on the Chief Minister's amendment

MR NOBBS

Mr Speaker I prefer No 1, but as a compromise I'm quite happy to support the Chief Minister's amendment because we need to change

MR BROWN

Mr Speaker I'm quite content with substituting the No 2 for the No 1 which presently appears on the final line of the bill

MR T BROWN

Thank you Mr Speaker the method the community used to vote me in, I'm fine with, whichever way it goes

SPEAKER

I think we've exhausted debate there so we are at the stage of voting on the Chief Minister's amendment so I put that question

QUESTION PUT

AGREED

MR BUFFETT

NO

MR T BROWN

NO

The amendment is agreed. Madam Clerk please record Mr Buffett's no vote. Oh, I'm sorry Mr Brown I thought you were indicating before that you had no objections and that you would be re-elected under any electoral system. Thank you. Sorry. The amendment is agreed. We now move to a motion that the Bill as amended be agreed to. Mr Brown I seek that motion

MR BROWN

Mr Speaker I so move

MR BUFFETT

Mr Speaker if I may say some words in terms of the finality of this Bill. I understand the numbers Mr Speaker and so my participation although it won't necessarily change that, but as you will note I am not supportive of this particular piece of legislation whether it has one vote or two votes. We have a reasonably long period of having dealt with the voting system. Members will know that prior to 1979 we had first past the post. We had nine x's in which you could cast votes for nine people if there were nine vacancies. When we entered the self governing arrangements in 1979 we moved to the proportional representation system. Not that we asked for it. But it was indicated that, that was what we should have and so the earlier electoral processes of the Legislative Assembly was held on that basis. There was significant backlash from the Norfolk Island community when that happened and so we had an examination as to what might be the best method and we have consultants and others to advise us on that process. If I could just emphasise on going through that process that it was the Commonwealth that indicated that we should move away from first past the post and indicated that we should have something different from that. Anyway, moving on from there, the consultants came and we had a consultative process within the community and some options were examined and what was put forward for community comment at the end of the day was the cumulative system which is basically

what we have now. Some people refer to it as the Illinois system but there we are and it meant that we have what we have and one could have the system of a maximum of four votes for any individual candidate. We put that to referendum in the consultative process and so it had the community's support at referendum that we should have the system that we've got now. We've not gone back to referendum again and I'm not necessarily proposing that but what I am saying is that I'm not too sure that looking at the various reasons for moving away from what we have, doing what we are doing will actually respond well to it. A number of people have said that the Commonwealth are unhappy with the present method and that we should move to do so otherwise we will be thought not well of in the eyes of the Commonwealth. Well if you could just bear in mind what I said earlier, that in fact it was the Commonwealth who moved us away from first past the post and so that's not a valid excuse. Some of the difficulties that have been put forward about first past the post are really not totally addressed in the arrangement that we've got in front of us at this stage either. It might address some of them but it really doesn't provide the full answer and so really unless we are going to provide a substantive answer to the matter we are only tinkering with it and I'm of the view that unless we substantially do that and I don't think going back to first past the post is the answer either although I understand that within the community there are a number of people who would prefer that and it has a simplicity about it that means it's easy to understand and you can very clearly see where you votes go to, and when you measure that with something like proportional representation which is much more complex and is much more difficult to see how the votes are apportioned out and that's one of the difficulties of course that was experienced by us all when we sent through that process in a much earlier period of time but I don't necessarily see the benefit in just doing what we are doing now and so I would prefer not to be endorsing where we are at this moment and that really is a reasonably simple explanation of where I sit on the matter

SPEAKER Thank you Mr Buffett. Is there any further debate on the matter. Then the next question is that the motion be agreed to

QUESTION PUT

AGREED

MR BUFFETT

NO

Honourable Members the Bill as amended is agreed and Madam Clerk would you please record Mr Buffett's no vote

HEALTH (AMENDMENT) BILL 2006

SPEAKER Honourable Members item No 6 will not be called on today and so we move to item No 7

FIXING OF NEXT SITTING DAY

MRS JACK Mr Speaker I move that the House at its rising adjourn until Wednesday 21 June 2006 at 10 am

SPEAKER Thank you Mrs Jack. Is there further debate at this time? . Honourable Members, then I put the question that the motion be agreed to

QUESTION PUT

AGREED

The ayes have it. The motion is agreed to

ADJOURNMENT

MR BROWN

Mr Speaker I move that the House do now adjourn

SPEAKER

Thank you Mr Brown. Any debate

MR BROWN

Mr Speaker the motion which I sought leave to move today should not have been necessary but last week I spent three days in Canberra during which I had a series of meetings with the Minister for Territories, the Shadow Minister, several other Ministers and a wide range of Members of the Joint Standing Committee. It was very clear to me that the stand off in relations between some in this House including I regret to say, Ministers, and the Commonwealth must stop otherwise the Legislative Assembly runs a very real risk of irrelevance in what is the most serious issue we've had to face for a long time. The people I met were from all sides of politics. I was at pains to stress that my visit was not in any sense on behalf of this parliament, rather I said that I was no more than a private Member and a Member of the business community but one who was concerned for the future of Norfolk Island and its people. In that spirit I was received by all I met with courtesy. My status as a Member of the Legislative Assembly of Norfolk Island was recognised. Labour, Liberal, National, Ministers or back benchers, Senators or MP's all accorded me appropriate parliamentary courtesies. This is something I was and am embarrassed to note, which has not been reflected in the behaviour of our official representatives in their dealings with Canberra. I made the point, and I make it here, that I believe we and they must talk about what the future holds for us here. We may totally disagree with the Australian Government's proposals, but unless we talk we will have no hope of altering or influencing the outcome. It is better to be inside the House talking than outside throwing rocks onto the roof. There was no-one in Canberra who disagreed with this view. Everyone I met in Canberra said these things to me. That they are sincere and genuine in their desire to help Norfolk Island and the Norfolk Island community. That the residents and citizens of the island should be entitled to the range of benefits and services available in Australia generally. That the concerns and special position of those who live here are recognised and respected, however, if we do not made our views known in a dignified and reasonable way it is hard for them to know what those views might be. Finally, mere opposition will not suffice. On every side I was urged to make it clear to my parliamentary colleagues that reasonable dialogue is essential. Refusal to do this was not seen as an option open to the Government or the Legislative Assembly of Norfolk Island. As I have said, I spoke to many Members of the Joint Standing Committee coming from every part of the political spectrum. Several of them invited me to use their names, and to report their views but I shan't do that today. Mr Speaker we can make it plain that we will never agree to some of the suggestions which have been made but we need to ensure that if change does occur, we are part of the discussion process in order to achieve the best possible result, even if there is risks that parts of the result might not be palatable to us so Mr Speaker, I'm urging that we change our tack. That we do recognise the need for dialogue. That our ministers get on the phone, make some appoints, met themselves to Canberra, make our position known, by all means make it clear of the next five hundred years, the argument will continue if some of these changes occur, but get inside the room. Make sure that if these things happen you've played a part in making it as palatable and beneficial as you possible can. Thank you

MRS JACK

Mr Speaker just before I go on, two matters. Mr Brown asked for some documentation to be tabled this morning. I can provide that now and do so and note that Miss Diatloff was the authorised officer under the Plant and Fruit Diseases Act to sign for that so the Clerk can take that. About Mr Brown's speech it's the first time I've ever seen him read from anything.

SPEAKER

Mrs Jack could you actually identify what you are tabling

MRS JACK Mr Speaker I beg your pardon. It was the Mango Tree Importation Protocol – Importation of Bare Rooted Mango Tree under the Plant and Fruit Diseases Ordinance which was in some ways a repetition of the protocol. A copy of the original phytosanitary certificate and a pre-entry quarantine report that came from Burwood Nursery. Thank you

SPEAKER Thank you Mrs Jack. Would you care to continue

MRS JACK Mr Speaker yes. It's the first time I've ever known Mr Brown to read a statement and obviously for him to have gone to that trouble, somewhat heartfelt. The concerns raised I can have sympathy with because I also get the feel from the community that they see that myself in particular or perhaps the Legislative Assembly or the Minister's generally are relationship and he understand the position that we are in but we have great difficulties I can failing to communicate. I've sent letters off, I'm looking forward to some answers with my counterparts in the Australian Government but we have not been remiss. Actions that started late last year, we asked for a lot of dialogue and many meetings and these were not acted on. You get disheartened by such an activity from your counterparts but you persist. Members of the Minister's staff may arrive, in fact we have one sitting behind us today who's been present today and it's unfortunate that I in particular, or the Government was not made aware that he was going to be here. Would I have spoken with him or did we have matters that we could communicate. We probably did. But to say or to give the impression that inactivity is one sided I don't think Mr Brown really means that. I hope he doesn't. Because it hasn't been that way at all and that was why I voted against his motion today. I took it almost as a personal slight. I am there working. I continue to work for the benefit of the community and it is a hard fight with our lack of resources and funding but I would just like to assure the community that I do try and will continue to try. Thank you

MR NOBBS Mr Speaker I voted against the original motion because I thought it was a slight on what is actually happening. I was surprised at Mr Brown reading it out. Whoever wrote it for him has got it absolutely wrong as far as I'm concerned because the fact is that I'm in fairly constant contact with Ministers in my particular area so I don't deal greatly with the Minister for Territories, he's in another Ministers' area but I do deal with finance and the like and we have a very cordial assure you when we don't know the detail in the documents that we have to peruse or we may not have to peruse and it's all supposition and we are being told that the Australian tax arrangements are a wonderful system. I don't agree with that at all and I don't know any other tax payer who agrees with it, apart from the late Mr Packer who didn't pay any tax anyhow so...

MR BROWN Mr Speaker point of order. That was an inappropriate allegation to make against any person notwithstanding that Mr Packer is diseased

MR NOBBS I think it was one of his books or statements in relation to that, was that he didn't pay anything. That was in his view that it was the right of all Australians to minimise their tax arrangements

MR BROWN Mr Speaker with respect that is inappropriate for any Member to allege against any person be they alive or diseased. Mr Packer was renowned for a statement to a committee of the Australian parliament from recollection when he said "you don't spend my money so wisely that you should think I want to give you any more" and that's a very different thing to alleging that someone doesn't pay tax

MR NOBBS That's very good Mr Brown

SPEAKER Mr Nobbs do you think you could....

