



**NORFOLK ISLAND LEGISLATIVE ASSEMBLY
12TH NILA HANSARD – 4 JUNE 2008**

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

MR GARDNER Thank you Mr Speaker, I move that so much of standing orders be suspended as would prevent only those matters appearing on today's programme from being dealt with at this sitting. Thank you Mr Speaker just in relation to the motion that I've proposed as is probably evident from past years we usually sit twice during the month of June or try to achieve a couple of sittings in the May June period to allow for passage of the budget in recognition of the fact that it is the largest budget that's been presented in Norfolk Island's history and that by reserving today's discussions primarily for the introduction of the budget is an issue to take into consideration and also in consideration that our normal June sitting is only a couple of weeks away hence my proposal as expressed in the motion before the House today and I commend the motion to the House

SPEAKER Thank you Mr Gardner. Any further debate? The question is that the motion be agreed to Honourable Members and I put that question

QUESTION PUT
AGREED

Thank you. That motion is agreed to

PRESENTATION OF PAPERS

Are there any Papers for Presentation this morning Honourable Members. No. We move on

**APPROPRIATION BILL 2008-2009 – MESSAGE FROM THE OFFICE OF THE
ADMINISTRATOR – No 15**

Honourable Members I have received the following Message No. 15 from the Office of the Administrator, dated 2 June 2008 which reads, that in accordance with the requirement of Section 25 of the Norfolk Island Act 1979 I recommend to the Legislative Assembly the enactment of a proposed law entitled "An Act to authorise expenditure from the Public Account for the year ending on 30 June 2009". That Message is dated the 2 June 2008 and signed Owen Walsh, Acting Administrator

NOTICES

We move to Notices Honourable Members

APPROPRIATION BILL 2008-2009

MR CHRISTIAN Thank you Mr Speaker, I present the Appropriation Bill 2008-2009 and move that the Bill be agreed to in principle. Mr Speaker the Appropriation Bill 2008-2009 seeks the approval of this House to make totalling \$14,742,500 during the

next financial year. The salaries and wages vote for all areas of the Administration covered by the revenue fund total \$6,599,100. Mr Speaker the amount sought for the salaries and wages provide for the recent pay increase awarded to the Public Servants by the Public Sector Remuneration Tribunal. Mr Speaker during recent wage negotiations the Government and the Public Service Association reached agreement on a 10% wage increase but could not reach agreement on an additional increase. The Government offered an additional 3% and the Public Service Association which had sought a total increase of 25% was prepared to accept the Tribunal's determination in respect of the balance. The Tribunal's most recent determination awarded the Public Service Association a further increase of 7.5% over and above the previously agreed 10%. A determination of the Public Sector Remuneration Tribunal is an instrument that can be disallowed by this House. The Tribunal's determination was worded in such a way that the agreed and disagreed positions could not be separated. Therefore if this House wishes to disallow the 7.5% part of the Tribunal's determination it would have to disallow the entire determination which would return the entire process back to where it began in 2005. I have therefore formed the view that it would not be productive if this House were to disallow the Tribunal's determination. Recurrent operational expenditure totals \$8,042,400. This amount is what is required to run the island on a day to day basis and includes the various subsidies and grants funded by the revenue fund. I will highlight some of those grants and subsidies. The hospital will receive in the next financial year \$1,350,000, the Tourist Bureau will receive \$1m, with a commitment to provide an additional \$285,000 as the year progresses, Roads will receive a \$300,000 grant from the revenue fund. Mr Speaker this reflects a slight change in the normal way of business where the Roads GBE would normally derive an amount equal to this from the 20 cents per litre road levy. At the moment until recently passed legislation through this House is assented to, that money channels through the revenue fund and hence we have provided for it. The Army Cadets will receive \$5,000, Banyan Park Playcentre \$14,000, the Culture and Heritage will receive \$12,000, Sports Promotion will receive \$5,000, Youth Sport will receive \$2,000, the Museums will receive \$80,000, the Norfolk Island Government will also contribute \$365,900 towards the operation of KAVHA and a further \$101,000 is proposed to be spent on capital items in respect of the revenue fund. The expenditure is balanced by estimated income totalling \$14,747,300 which would result in a small surplus of \$4,800 for the 08-09 financial year. Other Ministers will speak to the Bill in respect of areas they are responsible for and I also at this time, thank all Administration staff and all officers involved in producing the 08-09 budget document. I'm extremely proud that the proposed Appropriation Bill for 2008-2009 starts up with no increases in taxes or levies and I commend the Bill to the House

MR GARDNER

Thank you Mr Speaker, I commend the Minister for Finance for bringing forth the budget in its format today after what has been, I think it's fair to say a not too easy process but my experience with formulations of budgets over a number of years now seem to indicate that it's never an easy process. There is always a struggle for the limited resources that we have available to us and a struggle to give consideration to appropriate and fair revenue raising measures and a struggle to give appropriate attention to where those resources would be best positioned for the benefit of the community as a whole. If I could just reflect a minute on the Minister for Finance words about the recent determination of the Public Sector Remuneration Tribunal in respect of the Public Service wage increase. I made my thoughts I think abundantly clear to my fellow colleagues and Executive Members in relation to that, in that a process has been followed. The facts, the figures, and the arguments have been placed before an independent arbiter in this case is the tribunal, and the Tribunal has made its assessment of the impact of whatever determination it was going to make in relation directly to the information that was provided to it, and the arguments that were presented to it and I'm comfortable to sit with that determination as provided by the Tribunal, albeit, cognisant of the ability of this House to disallow those determinations. I believe the process has been followed appropriately and properly and a determination has been made and we are best to sit with that determination and as the Minister says, he's made allowance in the budget for that to happen. In the formulation of the budget we've over

the years followed many different processes. Maybe it's fair to say a little different this year in that we didn't have the passage through this Chamber of all of the managers, and all of the officers within the Administration that head up all of their different areas, though myself being conscious of the fact that after salaries and wages are taken out, the remainder of the \$8m of expenditure in the budget, some \$3.5m falls into my areas of responsibility and that's primarily in the Hospital, as the Minister has already outlined, \$1.35m, Tourism \$1m at this stage with an ongoing commitment to provide the remainder of the budget bid and in the area of policing so I think it's fair to say that I've got a fair slice of the remaining provisions within the budget within my areas of responsibility and I'm very grateful to those officers, in particular Mr David McCowan, the Director of the Hospital and to Terry Watson and Wally Beadman for their assistance and their time in coming to talk to Members of the Legislative Assembly about the fairly significant commitments contained in both the Hospital budget and the Tourist Bureau budget. It's an opportunity for Members of the Legislative Assembly for want of better words to grill those officers about the provisions in their respect budgets, to look at where those provisions can be trimmed back, whether there's an absolute necessity for everything that has been asked for and it's fair to say in this process we have trimmed both of those budgets. The Hospital budget is nearly \$250,000 below what the initial estimate was but having a longer harder look at the provisions in discussion with the Director of the Norfolk Island Hospital Enterprise we've been able to trim some of the so called fat off the sides of that budget and bring it back to something that we both believe that the Hospital can work within during this financial year and in relation to the hospital budget because of budget pressures over a number of years we have consistently failed to provide an adequate level of subsidy to the Hospital which has led to us certainly in this current financial year having to provide a further funding to the Hospital in the order of almost \$400,000 to assist them to meet their commitments for the remainder of the financial year and if you look back on the original budget bid that was made last year, that's pretty consistent with that original budget bid that we cut and I think it's fair to say that's happened the year before that and in previous years so in saying that, those budget bids, I think aren't designed to want to pad out the financial performance of either the Hospital or the Tourist Bureau. I think it's fair to say that they are genuine attempts to give a very clear indication to Government as to the resources that are required to be able to maintain the performance both of the Hospital and the Tourist Bureau and across all other areas in fact of services that we provide particularly in the Administration. There's no great surprises in the hospital budget. It's a continuation of pretty much the level of services this community has come to enjoy. There are the ever growing burdens of course of aged care and in that regard I've taken on with the blessing of the Minister for Social Welfare a project that hopefully will get a life of its own in the next few weeks for the consideration of the provision of improved home care services in Norfolk Island that would allow our elderly to be able to be maintained in their own home environment rather than having to be impounded on the verandah at the hospital. So we are genuinely recognising the benefits of trying to maintain people in their own homes in their old age however that is going to be a hefty project in its own right. There are some simple things which can be done which will provide for the provisions of the current Emily Channer Nursing Services that's provided, but the types of things that we are looking at to assist in aged care in Norfolk Island will include projects similar to that, that is experienced under the HaCC scheme, the Home and Community Care Scheme in Australia which would provide a facility, not necessarily a fully funded facility but access by some of those people to home help and care and attention. It is proposed to have discussion with the Department of Veteran Affairs on that. I understand that they will be visiting the Island in the not too distant future and one of the primary tasks during that visit will be to have some discussion on the implementation of some of those aspect of home and community care which incidentally were raised in a report some years ago in relation to aged care in Norfolk Island which was commissioned in conjunction with the RSL on Norfolk Island so we are revisiting those things and hopefully that will lead to an improvement in the quality of life for our aged people in Norfolk Island. Incidentally, it probably works against the budget process that the hospital works on because they are heavily reliant in their own income areas to have a certain number of people on the

verandah at any one time and because those numbers have decreased over time at the hospital it has had an effect on their bottom line trading during this last financial year in particular. As far as tourism is concerned we've had quite some discussion on the Tourist Bureau budget and as the Minister has already indicated we are providing through this budget \$1m in direct subsidy to the Norfolk Island Government Tourist Bureau this year with an undertaking to provide the nearly \$300,000 of their original submission during the course of the next financial year subject to a number of things, obviously the ongoing performance and expectations that this budget provides, the ongoing performance of our tourism industry to ensure that we are maintaining growth in that area because that is the primary source of the funds that we are discussing today. A review of some of the documentation that was submitted in support of the budget where there are some differing provisions that may be able to be addressed as part of our changes to some of the other things that we do. For example, communications costs and the like and those things that have been significantly reduced because of the changes in call charges, which may have a beneficial affect on the Tourist Bureau's budget. Also an assessment of the reservations system that the Tourist Bureau is proposing to introduce this year. It's very difficult to be able to quantify exactly what the return on that investment will be in the first year but conservatively the Chair of the Tourist Bureau has provided me with figures of roughly \$15,000. Again, it's very difficulty to quantify because we just at this stage have no idea as to the sort of business that will generate so I think the \$15000 is a fair assessment albeit in my view a little conservative. However they are minor aspects that will have an impact on the bottom line of the budgets but that said, hopefully it will perform a lot better than we are expecting and there may not be a call on the governance coffers to quite the degree that has been indicated of nearly \$300,000. Some of that may be offset by the trading activities of the Tourist Bureau. There is proposed in the Tourist Bureau budget an increased spending in New Zealand and those who do listen intently to the meetings each month have heard me wail a little bit about the non performance of the New Zealand market over the last few months and it's probably fair to say over the last twelve months. Not so much the non-performance. I think it's probably fair to say that the New Zealand market has been somewhat fickle as far as the deliverance of visitor numbers into many parts of the immediate region, including some of the Pacific Islands, which has experienced some significant declines to some of the destinations out of New Zealand. We've been able to stem the tide and I can't really say that we claim ownership of stemming the tide. It's come about through the efforts of Air New Zealand and our wholesale partners in New Zealand as well as Tourism Norfolk Island but we are performing better as far as the decline is concerned in many other competing destinations so this is an attempt to ensure that we are able to continue to support the New Zealand market, to support Air New Zealand and its services to Norfolk Island and to ensure that we are able to support our underlying growth in the tourist visitation market to Norfolk Island. You will note from the Tourist Bureau budget that there is a downturn in the spend in the Australian market and that is primarily because of the non provision of funding and the non continuation of the regional partnerships programme funding which you would be aware, we were the beneficiaries to the degree of some \$400,000 and additional marketing information support last year. \$300,000 of that coming from the regional partnerships programme and \$100,000 from the local business community which was supplemented again by \$100,000 to \$500,000 in total in that programme. However, we've taken a slightly different tack this year as far as our wholesaler partnering programme is concerned and our co-operative advertising exercises in which we hope to leverage the Norfolk Island Government Tourist Bureau and Norfolk Air spend into a \$1m spend in the Australian market so I think the Tourist Bureau and the Board are particularly excited about the opportunity that presents itself to be working with the airline and our wholesale partners in delivering a much more robust marketing programme in the Australian environment so we look forward to that working. Incidentally in relation to that there will be a wholesaler meeting that we'll be hosting on Norfolk Island at the beginning of July so it will provide another opportunity for the local industry to meet with all our primary wholesalers in the island to discuss progress and strategy. The budget for the Tourist Bureau also makes for the provision for the continuation of our Norfolk Island tourism strategy and those

goals are in particular to supplement our current market with a younger and higher yielding market which is referred to as the baby boomers and that will require a revision of our branding and the development of new experiences in Norfolk Island and the introduction of new distribution channels particularly the internet and we've seen some pretty keen growth in that area and as part of the reason why the Tourist Bureau are keen to move to a reservation system because they recognise the value of the internet as a distribution channel for the product and to get Norfolk Island out there before the customer. They are also moving to build the community better education about tourism and I think you outlined to Members yesterday at our Members meeting about the efforts being made in conjunction with the school and a group of local people to assist in better educating the school and the community about the benefits of tourism because unfortunately it would seem that our own community are our biggest critics about the value of tourism and also don't on many occasions recognise the contribution that tourism makes to our way of life on Norfolk Island. We've had a pretty good year over the last year as far as tourism is concerned. I won't go into a lot of detail about that but there have been new initiatives and the Board is to be commended on those initiatives including the reigniting of the tourism awards in Norfolk Island which will be built on this year. The introduction of the ambassadors programme where we are using younger, not young but younger people in Norfolk Island as our face of tourism that are engaging in marketing and promotion activities; they are engaged in hosting and hospitality events in Norfolk Island and they are doing a tremendous job with very positive feedback from many in the industry about their involvement so it certainly has been a positive step forward. I mentioned the wholesaler partnering programme before and that will continue this year and in the next year as it did this year with building on our destination approach to marketing. There is a number of efforts being undertaken as far as research is concerned on our new tag line "Be surprised!", there's a new brochure, the website has been updated, we are looking to introduce the new brand, there is a retail study that will be underway to try and assist the retail industry in identifying the products, in identifying the needs of the change in demographics of our visitors to Norfolk Island and to assist them to present themselves in such a way that they are going to be able to maximise their returns which directly influences the returns that the Norfolk Island Government receives. There will be marketing analysis undertaken on the online reservation system that I spoken about and they are all commendable activities through the year and going into next year and we will continue to build on those; there's \$78000 in the budget for an accreditation process, branding and experiences audit, seed funding for experiences development and investigation of the green globe concept which is a cleaner, greener environment and something that's designed or to be investigated to give us an edge as far as Eco tourism is concerned which is in this day and age a highly marketable part of tourism. Included in that is an amount \$40000 for an event co-ordinator, that is designed in part to assist those organisation on the island that have events to build on the success of those events, to act as a conduit for organisers of the events to be able to talk to the airlines, talk to the Government, access support through the promotion and marketing activities of the Norfolk Island Government Tourist Bureau to improve the performance of those events as I was talking to my colleague Mr Sheridan this morning about that, even if we were just to increase visitation through those efforts by only 1000 people per year that's an investment of about \$40 per person. That's a significant return on an investment when certainly there are arguments that our base rate of say, 25,000 visitors to Norfolk Island come here with very little effort as far as marketing information is concerned, but the remaining 10-15,000 we commit nearly \$1m per year to that to ensure that over and above that 25,000 we are able to achieve the visitations that we've got pretty so the \$40 per head investment is a pretty good bargain rate if it means that we are going to achieve those sorts of growth in visitation numbers as part of those events not just the existing events but also looking at new events into Norfolk Island. We will need to monitor the performance of that to see how that goes. There certainly is a commitment in this budget for that to continue ad infinitum. That is something that we will need to carefully watch and monitor as far as its success and performance is concerned. My colleague the Minister for Commerce and Trade has some thoughts about the performance management of that position and of the events that are targeted for

inclusion in the events programme and that is something that we are conscious of, and the Tourist Bureau is conscious of to make sure that we are certainly getting value for money from that new position. Moving on to the Policing budget there are some issues mainly surrounding the current Memorandum of Understanding between the AFP and the Norfolk Island Government for the provision of policing services. I understand the AFP hierarchy will be visit Norfolk Island in the near future to discuss the revisions of the policing Memorandum of Understanding to discuss some of the, we'll call them disputes of outstanding matters as far as payment of some of the accounts are concerned, not through any deliberate intent not to pay them but I think a misunderstanding of just where they fit in the calculations as far as the Memorandum of Understanding is concerned and certainly based on previous discussions that I've had over a number of years now with the AFP. I think a desire from them for us to provide 100% of the funding for the provision of Police services in Norfolk Island, which is a fairly significant departure from the current arrangements where it's roughly a 70-30 split as far as the AFP contribution for policing in Norfolk Island. So that may have an impact on the bottom line of the budget in the next financial year subject to those negotiations and discussions we might find that we are open to a larger contribution than is budgeted for, but at this stage we can do nothing but run with the current arrangements under the Memorandum of Understanding. One other thing that I'm very pleased to see has been included in the budget this year is the Legislative Assembly's commitment to the provision of childhood immunisation in Norfolk Island and also to the provision of a cervical cancer vaccine programme for our young women in Norfolk Island. The figure in the budget has been included as \$75000. At this stage the introduction of this programme in Norfolk Island will provide for 100% cover of the childhood immunisation programme for all children in Norfolk Island up to the age of 12 months and that's a significant commitment as the research has indicated that it's the best part of \$1400 or thereabouts in the first year of life of a child's cost of immunisations so this is designed to assist those young families in the community. It is something that has been the subject of discussion for a number of years about the provision of such a service, which in part has been undertaken by some of the service clubs in Norfolk Island at different times and now is the time for the Government or the Legislative Assembly to step up to the mark to ensure that as a health prevention measure we are going to ensure that our children has access to a full immunisation programme without necessarily the decision being forced onto people to decide whether they can afford it or not. This is a programme that is provided to them and a very necessary part of modern health services and interesting to note, that as I understand it, going back some years now in evidence given before a health enquiry in Norfolk Island we were confident that we were getting about 96% of all newborn children on Norfolk Island vaccinated, at the same time in Australia it was about 83% or thereabouts if I can recall and it's only really been within the last seven or eight years that the childhood immunisation has become fully funded in Australia so we are not too far behind times but it certainly has been a not before time decision for the Legislative Assembly to act to provide for immunizations for children. Mr Speaker the cervical cancer vaccine Gardasil will be provided to all children under this programme between the ages of 12 and 18 and that is mirroring the same age groups and provision as provided over the last 12 months within the Commonwealth system, recognising the incidence of cervical cancer in Australia and the Commonwealth's desire with obviously the new vaccine that's being developed to make that available to young women Australia wide. I had had correspondence with my Federal counterparts on this over the last 12 months or so about the extension of the national programme to Norfolk Island but because of the provisions in the Commonwealth Health Act Norfolk Island is excluded from that and so a fairly easy decision for us to say well, if we can't get assistance we will provide it ourselves and I think it's an appropriate health prevention measure as well and I certainly applaud my colleagues for giving their wholehearted support to the introduction of both these immunization programmes into Norfolk Island. Depending upon the performance of these immunization programmes and any surplus funds that might remain we will give consideration during the passage of this year in particular to the extension of that to the older age group of women, particularly the Gardastene vaccine which is from 19 to 26. At this stage we are targeting school age children as

step one. If funds allow then we can look to extending that further, and Mr Speaker as one of my learned colleagues said to me yesterday, it's only a matter of eight years and we've caught up with all that age group anyway but we will continue to monitor that, and where we can provide the benefit outside of those introductory boundaries at the moment, we certainly will look to do that. It has been an issue of concern. I know my colleague the Minister for Social Welfare with her women's forum has raised that on a number of occasions and we've been conversing on how we are going to achieve things. The costs involved, and how we can go about funding them, whether consideration needed to be given to a degree of residency status or the affordability of it, those sorts of things but at the end of the day it's a very worthwhile cause and something that I'm very pleased to be able to have introduced in this budget cycle. The cost may seem significant, \$75,000 for these. The ongoing cost of childhood immunisation will be roughly \$35,000 or thereabouts per year and I think it's the view of this Legislative Assembly that will continue with the provision of this programme. The ongoing cost of the gardasil programme after this initial catch up that we've budgeted for of about \$33,000 will be about \$4000 per year from here on in, so that's a big amount to catch up initially but it's something that is affordable and I hope that this Legislative Assembly will continue to commit to and future Legislative Assembly's will commit to the provision of a very worthwhile service in years to come. As far as my area of responsibility is concerned, I'm confident that the money that is being provided will satisfy the demands and needs of those areas and also courts and registry and legal service. There's not a great deal of fat in any of those budgets at all. I think that they have been well contained and as I said earlier I commend all of the officers in those areas of mine that have put their thoughts into the preparation of their budgeted areas. If I can turn to revenue as far as the general budget is concerned, I'm not sure whether our expectations as far as GST have been fully realised. It has performed well and I think we knew from the outset that it was going to be a fairly hit and miss type approach until we actually could get a measure of the true performance over a full twelve month period. We've had the full twelve months. Generally it has performed well. I stand to be corrected but I thought the last discussion with the Minister for Finance on this subject indicated that GST may have fallen about \$400,000 more than our previous tax arrangements in totality. We can have some discussion about that anyway. Yes it's done what it was designed to do as far as replacement of revenue streams previously, as far as customs duty, FIL, the cold bed tax and the liquor licencing fees. I think that was all of them. So, yes it's done what it was designed to do. It had also been designed to raise our total revenue. If it's by \$400,000 maybe that's a good outcome. I don't know from our discussions whether we were expecting more than that and in saying that I'm trying to tie this back in to the expectations of the Econtech Report from 2006 and certainly the revision that we had finalised for us in this last twelve months which indicated that we had some budget holes and we needed to fill those. We needed to look at things like depreciation and allowance for those sorts of things and clearly there will be a need for us as an Assembly to turn our minds to ensuring that we've got all of those bases covered over this next twelve months. That said, the expectation is that GST will continue to improve, it will continue to improve if we are able to maintain the growth in our tourism industry and arrival numbers into Norfolk Island. We will remain heavily reliant on the growth in tourism and we have some significant challenges as we are all aware, the price of oil, those sorts of things, competing destinations and the like but I'm confident that we will be able to maintain our growth on the forward expectations and projections that have been made for us. As far as revenue is concerned I'm pleased that the Minister hasn't had to revisit the GST percentage rate or to raise any other taxes at this stage but in the one area of my responsibilities that does generate some revenue, that's gaming, I'm pleased to say that the projections are showing that we'll get somewhere between \$150-200,000 improvement in gaming revenues over this next financial year so that is a pleasing outcome. I've spoken about some of the other projects that are underway in different areas, particularly in tourism and the hospital as I said with the HACC system or the homecare system and the implementation of that in relation to that there will be a committee that is established shortly, or re-established which will be the aged care committee with a primary task of giving consideration to the introduction of a home care

system in Norfolk Island and I certainly look forward to the outcome of those discussions and to see the recommendations from that committee for the provision of that service in Norfolk Island which is in line with our revisitation of immunizations and the introduction of an immunizations programme in Norfolk Island so little steps Mr Speaker but important steps and I commend the budget to the House

MRS JACK

Thank you Mr Speaker just a couple of issues that I believe that have strongly influenced this budget. One is the decision we made to not increase any of the revenue charges and so bear are the full impact of the, as described by the Minister for Finance the Public Service pay rise the quantum of which certainly had a major impact on this forthcoming budget and I see it as resulting in cuts in just about all the areas within the budget. The other factor that's going to have some influence in the forthcoming year is the acceptance that this House made regarding the report handed down by the Public Accounts and Estimates Committee. That work is reflecting in really only one area of the Administration, grounds upkeep and maintenance. However the work that is done throughout the next year I think is going to be a very interesting one to watch and the developments and any repercussions that has on any other areas within the Public Service will also be interesting to see further recommendations come forward. Perhaps the Public Accounts and Estimates Committee putting forward other proposals on areas to look at all sections within the Public Service. Having said that just let me briefly go over some of my areas as they are listed in the budget and if I start with land use and environment I would just like to acknowledge first of that in this area there's been a high level of staff loss and interruption over the past year and I would just like to give credit and recognition to the remaining staff over their ability to continue on in this area dealing with day to day issues as well as a couple of issues that came out of left field, mainly the argentine ants and concern over water contamination. Staff however were able to successfully deal with these matters and they also managed to complete some Environment Protection and Biodiversity Conservation referrals and manage some time frames commitments in order for NHT funding to be forwarded to the Commonwealth and its nice to note that the five areas of the applications, all were successful and all the grants will enhance our natural environment. Having said that one area of concern for me is the fact that it seems that all the funding in land use and environment apart from all the funding that was saved for projects comes on a 50/50 share with the Commonwealth. Our 50% is our in kind staffing and oversight commitment whilst they actually give the funding so I look forward to this area growing over the next year while we can increase our participation to 100% so that means initiating some of our own programmes and having them dealt with not only the oversight and staffing but also the actual monetary contribution and we all recognise and the Minister for Tourism has noted in his strategy the importance that the Tourist Bureau places on our environment when selling and marketing the island and everybody living here realises the beauty and overall pristine environment in which we live so it would be nice to be able to acknowledge that by being that tad more proactive and giving it some more funding, greater recognition within our own budgetary constraints. Minister for Tourism and Health has noted his commitment or just the volume of the size that some of his areas has in the budget so just let me say that an area such as welfare puts a \$2.324m demand on the forthcoming budget and its an area that through press releases and comments made on radio following some of the formal sittings in recent times the broader community will be aware of new policies that have been introduced in this area. The most recent was a policy relating to medical and allied health services which will take effect on the 1st of the 7th of this year. These relate to physiotherapy, Speech pathology, Dietician, Chiropractor and podiatrist and so they are issues that have now been formulated into policy. Another one that was introduced was an optional services policy and that commenced on the 26th of the 3rd this year. Social welfare recipients will be receiving notification in the coming weeks regarding the travel and accommodation expenses policy that is due to commence on the 1st July this year. This policy relates to the extent of cover for travel and accommodation expenses for social services recipients and it was presented to all MLA's yesterday and received their full endorsement. Can I just say that the social service remains is fully accountable for its

funding and the method in which those funds are used. We remain fully committed in ensuring that the social welfare payments are made on the basis of need in a fair and transparent manner. Another area that takes a big whack out of the budget is education. Some \$2.633m of which \$2.307m is wages. I said it in the last Legislative Assembly and I'll say it again, that we are still failing to recognise the true cost of education in Norfolk Island and I think we as a Legislative Assembly and in fact the whole community needs to realise its true cost and are we prepared to fully fund it. And if we are, well that's fine. I have no problem with that but we need to start putting proper programmes in place that will deal with replacement issues, deal with proper maintenance and upkeep of buildings so that when budget time comes around, we can look at those programmes and be committed to those programmes rather than being committed to any knee jerk problems that may come up and getting by sometimes on a lick and a prayer. Not just in education but in other areas as well. It is disappointing that some of the cuts in education has been cuts to plant and equipment and building and grounds. Now there are ways of dealing with these sort so cuts and I'm pleased to acknowledge the Minister for Finance's intervention regarding a 50% cut in the plant and equipment budget and he's doing that through a one off payment through Norfolk Air but no area can keep on relying on these donations of largess and as I said we need to start putting proper programmes and policies in place and staying with those polices, Its hard but I think if we are going to start taking some of those hard tasks to bear we need to acknowledge them and we need to start being proactive. The other area that hasn't been rectified with the loss over buildings and grounds. I don't know how we are going to start doing it, but instead of the \$68,000 ask we are left with \$10,000 in the budget so over the forthcoming year that is another area in the budget that I'm going to have to address and with the school take Members up there just to see what sort of programme can be put in place that we can start adhering to. Where else can we go. We can go to health building and quarantine and planning. Those areas of mine have both been lucky and received no cuts and so we'll just quickly breeze over them before somebody thinks they can take some more money. Another area is KAVHA. That's an area where we are seeing some changes there in the positive view that we are going to receive our world heritage listing and people will be aware of some ads in the Gazette that has shown the break up of the current project managers role into two areas, one of site manager and one of site supervisor. The site manager's role is being expanded on and it's looking towards acknowledging the place that KAVHA has both within the community and also on the broader world stage. Which as I said before Mr Speaker, the hope that we do go to World Heritage Site. One of co-operation and sharing of knowledge between other World Heritage sites, other sites within Australia that want to share some of our information and our expertise and also the move to make it a more pro-active role for that site supervisor in liasing with the Tourism Strategy and the Tourist Board, the Tourism Manager here in putting KAVHA as part of an experience and reason for people to come to Norfolk Island so while we have some cuts in the area we also have some increased costs regarding salaries and wages and from that one position coming to but as I say I think it's an extremely worthwhile process that's being undertaken and one that will expand our place on the world stage. Mr Speaker just before closing I would like to thank the Minister for Tourism and Health in acknowledging the women's groups because they did continually raise the subject of immunisations with me and so its great to have the Minister listening and being pro-active in resolving their concerns and I thank him for that. I think that's about it Mr Speaker. Just let me say that I'll support the budget. I admire the Minister for Finance for not increasing any of the revenue charges however, I am concerned nonetheless on the constraints that are being placed on some of the areas within the service, the lack of scope and I think we are coming up to some very hard tough questions when we have to really sit down and say, are we still going to do these services and if we are, can we centralise them or do we contract some of these issues out. It's going to be a hard task and I don't think anyone here relishes it because some of the repercussions will be social implications for us all. Having said that, I will support this budget and I look forward to the challenges ahead. Thank you

MR NOBBS

Thank you Mr Speaker. Mrs Jack raises some very relevant points there in terms of the fact that we do have to assess a lot of our provision of services, in some areas we have to consider as Mr Gardner pointed out the fat on the bone or lack thereof, in some of these areas where we are providing as many services as is possible with a minimal amount of resource and human resource as well in those areas. We brought to the table this morning some discussion on the increase to the Public Service wage of the 10% and the further 7.5%. These are issues that have been at the forefront of us working out what we can do in terms of presenting a budget document to this House and in doing that we've had many representation as has been pointed out already. As well as that the Acting Chief Executive Officer has covered many of the Public Service areas and let us know those areas that are very lean and that way of putting it I suppose. Any discussions with the Acting Chief Executive Officer and discussions around this table with all Members, we've looked at structural changes to the Public Service and how we can get the best possible performance out of that. It is worth mentioning that the Tribunals outcomes that we are dealing with in this budget are a result of a fair amount of lapsed time in the processing of wage claims for the Public Service. It's one of those instances that we have to deal with and what we seek now is good outcomes from that in terms of our provision of service delivery and the overall function of the service and also as Mrs Jack mentioned the Public Accounts and Estimates Committee has given its first report which I've undertaken to assess in conjunction with those areas of the Public Service that are involved in those provision of maintenance and services so hopefully we'll have a good outcome from that, that will further extend our abilities and hopefully not extend the need for additional finances. Just adding to what I said about the structure discussions we have had with all Members around the table as well as the Acting Chief Executive Officer and various managers in the Public Service the Acting Chief Executive Officer has also circulated a document to get as much feedback as we can from all those area to asses better ways that we can provide the services efficiently and resource those areas properly so the outcome of that will be something that we'll all be putting great time into to ensure that we are getting the best out of the service. As pointed out by the Minister for Tourism the events co-ordinator position for the Tourist Bureau is something else that has been funded and that has also been deliberated around the table in terms of seeing that we'll get the best possible outcome out of that and the result of that came from quite a lengthy presentation and good figures and presentation of the outcomes that we'll see out of that events co-ordinator position. The immunisation as talked about before is obviously a very positive step and again we are doing what we can to assist young families. Just as I head towards closing because this is really a brief statement in terms of putting the Appropriation Bill on the table, Mrs Jack alluded to the need for us to asses some of the revenue that we put into education and things like that and the recognition of value of it so that perhaps in that assessment we are able to target our expenditure into the school in better ways and support the technologies and things as required but Mr Speaker I commend the bill to the House. Thank you

MR MAGRI

Mr Speaker I'll save my detailed debate on this bill for the next meeting but I just wanted to very briefly reflect on the two key areas of my executive responsibility. Firstly in the fisheries area we've made some exceptional progress in the 2007-08 financial year and this has been achieved well within the budgeted amounts. We the Norfolk Island Government have developed the Discussion paper in September 2007, which was prepared as a basis for initial discussions on future management options. We then prepared a full consultation draft Norfolk Island Traditional Fisheries management plan that supports sustainable community based management of the Norfolk Island fishery. We achieved agreement for the Norfolk Island Government and the Norfolk Island Fishery Association to be partners in co managing the Norfolk Island Fishery using the draft Norfolk Island Traditional Fisheries management plan as a starting point for moving forward together. We also prepared draft explanatory notes to support the Fisheries Management Plan with the necessary technical and management tools for accountable and ecologically sustainable development of the Norfolk Island Fishery resources and by March 2008 began an initial

key stakeholder consultation on the draft FMP. We provided the Australian Fisheries Management Authority with an initial twelve month catch net of data for the Norfolk Island Fishery relevant to dates September 2006 to August 2007 in line with the requirements of the Memorandum of Understanding on Norfolk Island Inshore Fishery Data signed by AFMA and the Norfolk Island Administration. We provided comments and input on the Norfolk Island Draft Natural Resource management plan on the status of the Norfolk Island Fishery; we provided access approval information and support for the Australian Museum Collection of Anthropoids in May 2008 to develop the first catalogue of Norfolk Island Anthropoid fauna. We provided support and approval for the ultimate lady deep-sea game fishing venture to access Norfolk Island Fishery which included successful tagging of both striped and black marlin on the Wanganella Banks and the Norfolk Island Government have recently announced assistance to provide island based vessels with a purchase of essential safety equipment including emergency position indicating radio beacons or EPERBS and flares. Mr Speaker the list goes on. The monies that were appropriated in the 2007-2008 financial year have been spent wisely and diligently and provided tangible measurable outcomes for the Norfolk Island community. Mr Speaker the same diligence will be extended into the 2008-2009 years. I now move to the roads and the most interesting and frustrating year. Mr Speaker I think this year has been the result of 1800 people praying for rain and whilst the gardens and ducks and water tanks are very happy indeed, achieving the roads plan for this year has proven to be more difficult. One positive that has come out of the reduced works schedule for the 2007-2008 financial year is the prospect of the 2008-2009 year. At the end of the financial year 2008 the Roads GBE should roll over into 2009 with a cash surplus of approximately \$430,000. It is intended that this money combined with the budgeted income for 2008-2009 years will allow the Road Department to achieve its normal annual programme including the reconstruction of Country Road and also fund the Burnt Pine upgrade from Rawson Hall to the airport. Works will begin on this project within the next month or so with the replacement of two new cattle grids in Ferny Lane and Douglas Drive with the Leagues Club cattle grids being removed. My first priority remains to ensure that all roads on the island are safe and are maintained in a safe condition and whilst I'm not hoping that the rain goes away, I do hope that we get a few more days conducive to road construction in 2008-2009. I commend the Minister for Finance and the officers of the Administration who worked hard to complete this budget before us and indicate that I intend to vote in favour of this Bill at the next sitting of the House. Thank you Mr Speaker

MR SPEAKER Any further debate? I would ask the Deputy Speaker to please take the Chair

MR SNELL Thank you Mr Deputy Speaker. I wish to make a small statement Honourable Members on the matters of the Legislative Assembly and to bring to the attention the submission of the Legislative Assembly to the remuneration Tribunal on Members salaries and wages. It is to be noted that no provisions have been made in the budget for an increase in the 2008-2009 submission to the budget proposal but I wish to make an acknowledgement that this has been applied to and has been dealt with and I commend the Members for dealing with it at this time. It is something that's been long overdue dating back to 1997. The Legislative Assembly has suggested certain budget constraints and attendance at certain traditional conferences that the Legislative Assembly has been part of which I've accepted at this time due to the financial climate. However support has been extended to providing funds to provide for conferences to be held on Norfolk Island. This will not only benefit our knowledge and contacts and exposure to overseas parliaments but will also assist our tourism policy and I thank the Minister for this. I would also like to make mention Mr Deputy Speaker that the report of the Public Accounts and Estimates Committee has been approved by this House and if some implementation as suggested is endorsed could ensure continuity of jobs and service, albeit in a possible changed format. This new initiative should have financial benefits in the implications of this budget proposal. Thank you Mr Deputy Speaker. I commend the budget to the House

areas that asked for but weren't forthcoming, in other words the areas that were slashed. It's good to see one bright note there, just a small one but an area that I've been involved in, in the last couple of months in the childcare area and we are looking after the young kids of Norfolk Island by increasing Banyan Park's funds by some \$2000 in the year up to \$14,000 but just on finishing there, in my mind it's a little bit of wouldn't say false accounting, but its just playing with the numbers abit when you increase income by extra dividends and then you have yet to achieve visitor numbers and then combined with the cutting of areas and placing these bids in the funds required column and yet this is presented as a balanced budget. To mind it raises some concerns, if the Minister for Finance might be able to allay some of my concerns but in all fairness they have come to some agreement, the Ministers among themselves that they will take these cuts so on paper it is balanced and the next twelve months will be very interesting. Thank you

MR GARDNER

Thank you Mr Speaker, if I could just respond to a couple of comments that Mr Sheridan made. The first one was a focus on visitor numbers. The 41000 there is not the expected number of visitors to Norfolk Island and departing, in the figures that I've regularly provided I've often spoken about the 10% or so of total travelling people being local people and they all, or the bulk of them pay a departure fee unless they're under 16, so these figures that are in the budget roughly equate to 37000 which is pretty close to what we are going to achieve in this financial year with the expected increase from the budget so I think it's probably fair to say that this figure may be a little conservative. I certainly hope it is conservative and I'm sure that my colleagues around the table will join me in hoping that it's conservative so that's just to clarify that and its not the expected visitor arrivals for the next financial year. It does include the departing local people who travel fairly regularly and I think I spoke about that a couple of months ago but that seems to have... the departures and arrivals of local people have almost doubled over the last few years. It's a very Interesting statistic. The other issue is the slashes in the budget, as I think I explained in my preliminary discussion on the budget the hospital budget I've sat down with the Director and gone through that from the original budget that was submitted and part of the cut was being able to identify where there was indeed provision made for a significant amount of additional salaries and wages within the hospital budget that in effect can't be provide unless there was another determination of the Remuneration Tribunal so i think some nearly \$200,000 or thereabouts was just identified as the fat in salaries and wages. It's not cutting any programme or any ability of the hospital to be able to deliver services. It is a review of the original budget that was submitted to make sure that it was actually identifying the true needs and requirements of the hospital so nothing has been affected by that cut. Yes it is a cut but no delivery of programmes is affected by that cut as far as the hospital was concerned. I just wanted to make those couple of comments Mr Speaker

MR CHRISTIAN

Thank you Mr Speaker, just to take off where the Minister for Tourism and Health has got up to Mr Sheridan has said that it's a balanced budget but it's achieved that balance by distorting the figures. Nothing could be further from the truth. The Appropriation Bill that I've got before the House today seeks to spend \$14.742m and that is what we are dealing with. The budget paper that Mr Sheridan refers to, identifies how we got to that figure and to a degree gives MLA's a better understanding of where the money will be spent their particular area. So if you look at the columns in the draft budget that Mr Sheridan is referring to, the proposed budget 2008-2009 the numbers contained in actually reflect what it is in the Appropriation Bill 2008-2009. The funding required column is probably not titled the best way it probably could be but in that column it's got a number of \$2.346m. Funding required as I've said isn't the correct way to probably name that column; it's probably more appropriately named the wish list. The Legislative Assembly is under no obligation whatsoever to fund every budget bid that the Public Service submits to it. It's our job to go through it and vet it and decide what we will fund and not fund and when, as Mr Gardner has said, the budget bids come in and we sit down and go through them, and we compare them

with actual expenditure for the current financial year, we find in some cases there are duplications or inclusions that need not be included and we weed them out, so that's how we explain that one. Now I will refer to two areas that have been specifically mentioned. One is the additional \$285,000 for the Tourist Bureau and I have given the Tourist Bureau a commitment that if things run better than expected during the course of this financial year, I will provide them with additional funding. It may not be the \$285,000 that they are seeking because I have asked the Tourist Bureau to go away and think about some issues and give me a response. The response is in respect to the internet booking engine. We have given them the money to set it up. I expect that the booking engine will generate a surplus of funds and that income generated would be in my view able to be deducted from the additional amount sought by the Tourist Bureau, so if for instance the internet booking engine delivers a net profit through the year of \$30,000 or something like that then I'll be looking at providing the Tourist Bureau with another quarter of a million dollars. How do I intend funding that. Fairly simple. The GST revenue estimates included in the Appropriation Bill 2008-2009, both documents the MLA's have been working with are very conservative and as Mr Gardner and Mr Anderson both mentioned, meeting these targets depend on delivering visitor numbers into Norfolk Island. The GST figures that I've included in the budget do not reflect the additional business that we expect to get if our tourism strategies are totally successful so I expect that if we meet our tourism targets I will have additional GST funding to fund the commitment that I have given to the Tourist Bureau and if the Legislative Assembly at a later date thinks that it would like to put back into the system some of the \$2.3m that Mr Sheridan is referring to, well they can certainly do that. Not a problem. One of the second areas that was referred to today as a cut was done so by Mrs Jack in respect of the school. Yes I think I have pulled about \$118,000 out of the school's budget from the contribution by the revenue fund but to counter balance that, what I have agreed to do, is to fund the total replacement of all of the computers in the school with a contribution from Norfolk Air and that is Norfolk Air honouring its community obligations as a community based organisation and I can think of no better way to meet those obligations than to make substantial donations to the school which would allow the school to equip itself with the best available computer technology that money can buy for the benefit of our kids, and I think it's a commendable initiative and once again, I think I've got everything under control in respect of the budget and once again I commend it to the House

MRS JACK Thank you Mr Speaker just one issue that Mr Christian raised was the Banyan Park and yes, that has gone from \$12000 to \$14000 and that additional \$2000 was to meet the GST cost that they pay and their subsidy, it's an added subsidy for their GST payments. And further onto that, with regard to the cost of living inquiry that Mr Sheridan has also undertaken. I think it's worthwhile to know at this point in time too that many in the community see the Government or Legislative Assembly's present and past as failing to provide or assist young families in any way and I do take umbrage a bit at this, because there are a lot of unseen things that go on, for example, we do fund the dental programme for children at the school. We do fund the dental programme for pregnant mothers and we do subsidise Banyan Park. On just those three issues. I would like to remind Members of the community that yes, they may have concerns about the way cost of living are going, but please don't think that this House is heartless in its support. It does give support though it's hidden costs and hidden support Mr Speaker. Thank you

MR NOBBS Briefly Mr Speaker just in adding to the responses to some of the queries regarding the budget that is on the table in areas with regard to the Public Service where they are delivering services in terms of welfare and all the other aspects that we do cover, there was a great deal of deliberation with the CEO and at Manager level as well to ensure that we were making the right choices in the way that we chose to take the budget process and in that regard there's been a microscope almost passed over each area to ensure that we are getting the best value I suppose out

of resources etc in those areas and also there were areas that we could have collaborations within that was also assessed as well. Thank you

SPEAKER Thank you Chief Minister. Any further debate Honourable Members. There being no further debate I call on Mr Christian

MR CHRISTIAN Thank you Mr Speaker. 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

EMPLOYMENT ACT 1988 – APPOINTMENT OF MEMBER OF EMPLOYMENT CONCILIATION BOARD

MR NOBBS Mr Speaker I move that for the purposes of subsection 65(2) of the Employment Act 1988, this House resolve to appoint Debra Simpson being a person with relevant qualifications and experience, to the Employment Conciliation Board for the period 5 June 2008 to 4 June 2011. Mr Speaker again I thank another Member of our community for being part of these Boards and committees that we run to support the operation of Governance and just going forward with that, I would like to thank the two outgoing Members of that Conciliation Board, Mr Steve Nutley and Mr Rick Kleiner who have also given quite dedicated service to the Conciliation Board and the processes involved with that. Ms Debra Simpson has extensive experience with the Employment Act and I'm sure she will be a worthwhile addition to this Board and I look forward to their being in communication with my office

SPEAKER Thank you Chief Minister. Any further debate? The question is that the Bill be agreed to in principle Honourable Members and I put that question

QUESTION PUT
AGREED

Thank you. That motion is agreed to

FIXING OF THE NEXT SITTING DATE

Thank you Honourable Members we move to the fixing of our next sitting day

MR GARDNER Mr Speaker I move that the House at its rising adjourn until Wednesday 18 June 2008, at 10.00 am.

SPEAKER Thank you Mr Gardner. Is there any debate Honourable Members. The question is that the motion be agreed to.

QUESTION PUT
AGREED

The motion is agreed to

ADJOURNMENT

MR ANDERSON

Thank you Mr Speaker I move that the House do

now adjourn

SPEAKER

Thank you Mr Anderson. Is there any further participation in adjournment debate Honourable Members. Mr Gardner

MR GARDNER

Thank you Mr Speaker, I would just like to recognise if I could the departure of the Under 17's Netball Team today who are travelling to Sydney and will be competing at the New South Wales State Championships for Under 17 Netball Players. It will be conducted at the Baulkham Hills Netball Centre in Kellyville in Sydney and the competition days will be this Saturday, Sunday and Monday. The Management and girls whilst they are away will be undertaking a visit to a school. It's always useful to educate those less fortunate about the wonders that we have on Norfolk Island and I'm that, that management team and girls will undertake that responsibility very well indeed. Mr Speaker they also will also have an opportunity while they are away to attend a training session with the Sydney Swifts Netball Team which is arguably one of the best club teams probably in the world I'm sure Mr Speaker, and certainly one of the leading netball teams as far as ranking in the Australian and New Zealand competition so that will be a great experience for those girls to see first hand the very best, some of the very best players in the world in action. I attended a function the other night as a farewell for the team and a thank you for the sponsors and others that have assisted this team and I think it's fair to recognise that a tremendous effort from a lot of people have gone into the organisation of this trip and the outfitting, the equipping, the transport. As I said I think on the night it's one of the best prepared teams both as far as outfitting, training and those sorts of things that I've seen or had knowledge of, that's departed the shores of Norfolk Island and that is a real credit to the girls and to the professional approach that the whole management team has taken in the preparation of these girls and that stands those girls in good stead to have experience with the professionalism and the dedication and commitment of the management team which I'm sure will rub off on those girls in the future. They have been particularly well supported by sponsors. A couple of them sitting around this table. I think in the words of one of them it is an opportunity to give back and I think all of our sponsors take that approach when supporting our sporting teams in departing Norfolk Island. There have been individual personal sponsors of the team, there's been Government support from both the Norfolk Island Government and the Federal Government through it's sporting the programmes but something that I particularly recognised the other night was the initiative of the management team and the girls themselves to make themselves available to assist at functions and weddings and have cake stalls and actually go out of their way to generate significant funds because this project requires the commitment of many tens of thousand of dollars to get this team to Sydney for this competition and in saying that I recognise the hard work and effort that's gone into the preparation of this team and I wish them all the very best of success in their competition over the weekend. Thank you

MEMBERS

Hear, Hear

SPEAKER

Thank you. Is there any further participation in adjournment debate Honourable Members There being no debate I put the question that the House do now adjourn

QUESTION PUT
AGREED

Therefore Honourable Members this House stands adjourned until Wednesday 18 June 2008, at 10.00 am

