

awarded the “Melvin Jones Fellowship”, the Lions highest international award. In 1980, Ian and Joan sold their glass bottom boat and tour business and Ian bought a larger fishing vessel “Mystic II” and really got into marlin fishing. He was thinking forward to “Mystic III”, but that project was not realised. Ian wrote and published three books on fishing and whaling in Norfolk Island and he and Joan published a 4th book, just a couple of months ago on their life’s adventures. Sadly Ian was diagnosed with lymphoma three years ago. He undertook extensive treatment in New Zealand for two years then returned home for eighteen months. To Joan, his sons and their families, to his many friends in our community and overseas, this House extends its deepest sympathy. Mr Speaker, may he rest in peace.

It is with regret that this House records the passing of Nina Stanton on Saturday, 2nd May 2009. In 1996 Nina Stanton moved from a well established career in Melbourne to become Director of the official Norfolk Island Museum. Her responsibilities were not confined to artefacts and buildings. Artefacts yes: from the flagship of the first fleet “SIRIUS”, to the film made famous and romantic, “BOUNTY”. From Polynesian, Melanesian, colonial convict, to Bounty Mutineer descendant, settlements! Buildings yes. A museum spread across some six historic, convict built stone edifices from headquarters of The Royal Engineers, to the residence of the Commissariat storekeeper. But extended beyond these, to heritage precincts and historic peoples. The historic people – the Bounty descendents who up half the population. Each one of them possessing an opinion, not lightly to be denied, of their place in the history books. Nina recognised within this gem in the Pacific a job, where she could - and would – continue in her life, to make a difference. Maybe more so than before, because on this occasion she brought her talents to benefit an entire people. Nina at the outset saw the opportunity for Norfolk Island people to be apprenticed and trained in various roles in management and interpretation of the museum collections. She mentored and found placements for some to broaden their horizons, in training at major Australian Museums. Up until then, the main museum roles had been externally contracted. Today the Curator and Museum staff, are all locally based. She built a volunteer programme, in areas of research, guides, and in some conservation work. Nina instituted and encouraged a range of innovative public programmes to enhance the Norfolk Island Museum experience. These reinforced the Island history with its residents, and interpreted its history with accuracy and verve, to visitors. One example was themed dinners at No 10 Quality Row, a House Museum in the historic precinct. Cooking on an open fire; sometimes convict fare. Another was Guest Chef Dinners. African, Pitcairn, Norfolk Island, modern Australian and all marshalling considerable local talent. And yet another, a Tag-Along-Tour, moving sequentially from one historic Museum building to another which continues to run regularly. Community support for the Norfolk Island Museum was built by commencing Community Open Days, encouraging elders of the Island to share their traditional skills: weaving and plaiting; collecting tree sap from the blood wood for ink; splitting the Norfolk Island pine for shingles; making fishing rods from local bamboo; using the Norfolk Island language in various interpretive methods. At Nina’s instigation the Museum commissioned a play, which related the sequence of the Island’s history: “The Trial of The Fifteen”. She persuaded a locally living author Peter Clarke, to write the play – done in three days – and recruited the wife of the Tennis Coach – a NIDA graduate – to direct it. She assembled a cast including a real judge (retired) to be the judge. The opening performance was in July 1999. It has travelled to Tasmania and New South Wales and currently presents two performances each week and boasts 32,500 patrons since it commenced. In all her tasks Nina demonstrated diligence and energy. She was professional and committed, even at risk of being thought difficult from time to time. On one occasion when confronted by the Administrator she said “I’m not engaged to be liked. I’m engaged to do a job”. And her contribution in the Norfolk Island community was magnificent. But she was liked. I think in the end she rather liked us! She was generous enough to say in January of this year in an email, “My time on Norfolk Island is one of the highlights of my life. I loved my place. I loved the sunrises, waking up every morning to a spectacular sunrise. I loved to drive to work along the Clifftop, down the rolling field, and then down to Kingston. How lucky was I to be employed

there". To Nina's friends in our community and overseas, this House extends its deepest sympathy. Mr Speaker, may she rest in peace.

MR SPEAKER Thank you Mr Sheridan. 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

MR BRENDON CHRISTIAN Thank you Mr Speaker, Mr Speaker I would like to seek leave for Mrs Vicky Jack and Mr Ian Anderson who will be absent for this meeting. Is leave granted Honourable Members? Leave is granted

PETITIONS

Are there any petitions this morning Honourable Members?

GIVING OF NOTICES

Are there any notices Honourable Members?

QUESTIONS WITHOUT NOTICE

Are there any questions without notice this morning Honourable Members

MR BRENDON CHRISTIAN Thank you Mr Speaker, I have a question for the Minister with responsibility for the airline. Minister what is the seat loading percentage for full fare paying passengers in Bounty class on Norfolk Air in the past twelve months and the full cost of upgrading the current plane leased by Norfolk Air to Bounty class and can this be justified

MR N CHRISTIAN Thank you Mr Speaker, I'm not able off the top of my head to actually indicate what the seat load factors were for Bounty class in the Ozjet aircraft. What I can say is that Bounty Class was introduced into the aircraft because the aircraft had 106 seats but on many of the routes we could only actually put 100 people into the aircraft and out of Melbourne we could only actually fit 80 in a direct service, therefore Bounty class was introduced so that we would glean the same yield from 100 seats as we would from 106 seats and that was the main reason that Bounty class was introduced and in that regard it was successful and contributed to the profits that Norfolk Air had earlier accumulated. Bounty Class no longer exists today however, and we have converted that into a premium economy type arrangement and that had been the case prior to the departure of Ozjet. Basically you pay a bit more for the seat and you still get what is essentially an economy meal with a couple of frills. Off the top of my head I can't say what the premium you would pay for that seat now but it's important to indicate that it is no longer Bounty class, it is premium economy and fairly soon we hope to be able to introduce a system at the airport where you can purchase an upgrade at check in. In the old OzJet aircraft we had eight premium economy seats. In the our airline aircraft the 737-300 six premium economy seats will be fitted at the next air check. Those seats cost about \$38,000 to purchase. They are sitting in Australia at the moment waiting for the air check and I expect it will cost about \$10,000 to fit them, no more and at some stage in the next six weeks or so I expect those seats to be in service, but yes, believe it or to there are quite a few people who do come to Norfolk Island who have a desire to travel at the pointy end of the airplane and are prepared to pay a premium to do so

MR BRENDON CHRISTIAN Thank you Mr Speaker, still on the airline. Did Ozjet depart the Norfolk Island contract still owing money to Norfolk Island Administration?

MR N CHRISTIAN Thank you Mr Speaker the short answer to that is yes, Ozjet departed the shore of Norfolk Island owing the Administration a little more than \$1.2m

MR BRENDON CHRISTIAN Thank you Mr Speaker, a supplementary question Minister is there any plan to recoup this money

MR N CHRISTIAN Thank you Mr Speaker yes and I thank Mr Christian for the question, a couple of weeks ago the Chief Executive Officer of Norfolk Air and the Crown Council of the Administration and I met with representatives of Ozjet and Heavy Lift in Sydney. They acknowledged the quantum of the debt owed to the Administration and entered into a repayment schedule. The first repayment was due I think from memory on the 11th May and Ozjet defaulted on the payment

MR SHERIDAN Mr Speaker just a supplementary question to Mr Christian's question, Minister when you say some \$1.2m in default does that include the \$800,000 bond that was paid to Ozjet in the earlier years

MR N CHRISTIAN Thank you Mr Speaker yes, that's correct, it does Mr Speaker

MR SHERIDAN Mr Speaker just while we're on the airline I do have one here for the Minister, Minister during the last sitting of the house you said that you sold Norfolk Air to the Nauruans for \$1m. \$450,000 when they signed the contract and then they were to pay another \$550,000 upon commencement of operations. You then indicated that our airline was experiencing financial difficulties and that to assist them you were going to give them back the \$450,000 and not require them to pay the \$550,000. Minister considering the financial position of Norfolk Air are they in a position to repay this money and not expect the additional \$550,000 as agreed in the contract

MR N CHRISTIAN Thank you Mr Speaker things have changed slightly since then. Last week I met representatives of Our Airline in Brisbane and the situation is this. They had paid \$450,000 to the Norfolk Island Administration. That money was sitting in our account and largely still remains sitting in our account. We agreed to help them out by making some contributions to the John Holland Engineering in respect of getting the current aircraft, that's not NLK the one dedicated to Norfolk Island, INU released from John Holland after a heavy sea check that went probably \$1m over budget so we assisted Our Airline there by paying \$450,000 to John Holland and I indicated at the last meeting that I would probably waive the requirement for Our Airline to repay that \$450,000 and would give considering to waiving the requirement to pay the further \$550,000. That situation has changed as a result of the meeting that I had in Brisbane with Our Airline last week. The situation is this, that effective from the 1st June this year they will pay the \$1m to the Administration over the next twelve month period so for the first June the first payment is due and every week thereafter we'll receive just shy of \$20,000 from Our Airline into the Administration coffers

MR SHERIDAN Mr Speaker another one for the Minister for Finance just while he's hot. In regard to the barter card system in operation with some businesses on Norfolk Island how is this business regarded in the payment of GST in Norfolk Island or is GST even applicable to this type of transaction

MR N CHRISTIAN Thank you Mr Speaker the legal advice given to me which is consistent with the approach taken by the Australian Taxation Office is that a barter dollar is treated as a real dollar and if a trade dollar is used in any transaction GST is payable or liable to be paid on that transaction as if it was a real dollar

MR SHERIDAN Mr Speaker a couple of supplementary questions. Minister have any businesses which utilises barter card been audited by the GST auditor and if so, have all barter card transactions been verified that GST has been paid on that

MR N CHRISTIAN Thank you Mr Speaker at this time I'm unable to confirm what the situation is there but I'm happy to make a request to the Chief Revenue Officer and she'll provide me with the appropriate advise

MR SHERIDAN Mr Speaker a further supplementary question. Minister in the early years of Norfolk Air I believe that they utilised the barter card dollar or barter card system. Minister is it the intention for Norfolk Air to continue to use the barter card system

MR N CHRISTIAN Thank you Mr Speaker and I welcome the question from Mr Sheridan. In short, Norfolk Air will probably remain within the barter system as long as it's able to redeem its trade dollars. At the moment it appears that we are in a position where we can purchase maybe up to \$70,000 a year's worth of wine in the miniature bottles that are served in airlines in trade dollars so I think from memory for Norfolk Air it's something like about \$170,000 trade dollars at the moment so it appears to be that we will be able to use that over the coming year or so

MR SHERIDAN Mr Speaker I have one here for the Minister for Police. Minister going back some years now when the investigation into the Janelle Patton murder was taking place the residents of Norfolk Island undertook to provide palm and fingerprints to the Commonwealth Police for that investigation with the assurance that on completion of the investigation the records of the palm and fingerprints would be destroyed. Minister can you provide that assurance

MR GARDNER Thank you Mr Speaker, certainly my understanding is what Mr Sheridan said is correct. I have not had confirmation on that and I'm not aware of whether that's happened but certainly I'll look into it and make sure that I am able to come back with confirmation of that

MR SHERIDAN Mr Speaker another question here for the Minister for Tourism and possibly the Airline. Minister currently there is a proposal to supplement the Norfolk Tourism and Norfolk Air with a marketing manager to assist the airline Chief Executive Officer and Tourism Manager in marketing Norfolk Island. Minister considering that in the past marketing has been the responsibility of the Tourism Manager plus taking into account the current financial situation that the island is currently experiencing, is it prudent now to be hiring additional personnel into an area that some may say is already top heavy

MR GARDNER Thank you Mr Speaker, discussion has been had on that in recent weeks and certainly in recent days and the whole of the structuring spent on tourism is being reviewed in line with the current budget

MR SHERIDAN Mr Speaker so Minister are you saying the recruitment of that marketing manager will be proceeding or will it be reviewed in light of the financial difficulties that we are experiencing

MR GARDNER Thank you Mr Speaker, nothing is off the table as far as review is concerned but both myself and the Minister for the Airline have spoken in support of the need for dedicated marketing support over and above the marketing that's been undertaken under the auspices of the General Manager of Norfolk Island Tourism and his staff

MR SHERIDAN Mr Speaker another question for the Minister for Tourism, Minister with the dramatic downturn in the number of visitors visiting or booked

to visit Norfolk Island what is the Norfolk Island Government Tourist Bureau manager's forward plan to try and rectify the situation

MR GARDNER Thank you Mr Speaker, I gave an extensive overview of tourism activity at the last sitting of the House and I'm happy to again table that information for Members which clearly indicates the way that the Tourist Bureau is focussing on addressing the downturn in tourism. It's not an immediate thing. We've been provided with figures over the last week or so that clearly indicate that our downturn in comparison with last year is somewhere in the vicinity of about 15% over last year's figures and that downturn began in earnest in about June of last year, so it's been an ongoing issue that the Bureau and the Norfolk Island Government Tourist Board has been dealing with and as I said is clearly explained in the statement I made to the House last month. In addition to that the Tourist Bureau Manager has made a number of public presentations in relation to the initiatives going forward and I am more than happy to provide copies of that, though I haven't received copies of it yet, but I'm more than happy when I do receive copies of it to circulate that to Members

MR SHERIDAN Mr Speaker a question for the Minister for Finance, Minister when can Members of this House expect to see a copy of the 2009/10 budget

MR N CHRISTIAN Thank you Mr Speaker and I thank Mr Sheridan for the question. In preparation for the budget in the 2009/10 financial years has been in preparation by the Administration for a couple of months and Ministers a week or so ago sat down with each of the officers in their area and received a detailed briefing and it is our intention at the moment that Ministers and Senior Members of the Public Service will meet on Thursday and Friday of this week to once again subject the draft budget to intense scrutiny with a view to trimming all unnecessary expenditure and we will also be giving consideration to further reducing our forward income estimates as a result of the soft tourism market and that's after we have already revised them downwards so I would expect that we will conclude the process that we need to undertake by close of business on Friday and I would expect on Monday of next week or Tuesday at the latest we can circulate a budget in pretty much its final form to MLA's and they will have the opportunity to discuss that budget up until somewhere around the 17th June when we propose to have the next meeting of the House and then I'll introduce an Appropriation Bill at that meeting and hopefully we'll deal with it to finality at the meeting a week later. The way the budget will be framed will largely depend on the success or otherwise of discussions that we are currently having with Minister Debus and his parliamentary counterparts as to what assistance they are prepared to give to Norfolk Island as a result of us being able to participate in various Commonwealth stimulus packages

MR SHERIDAN Mr Speaker a supplementary question for the Minister please. Minister can this community expect any raises in taxes and levies, or the introduction of new taxes or levies in the incoming budget and if so, what are you planning to introduce or increase

MR N CHRISTIAN Thank you Mr Speaker no firm decisions have been made in that respect yet and the Public Service has prepared a range of options for consideration by this House. Ministers are privy to those options at the moment but I have not yet circulated them to MLA's and it would be presumptuous of me at this stage to make any indication of what we are likely to do until the wider Membership has considered it

MR BRENDON CHRISTIAN Thank you Mr Speaker, in relation to that I have a question for the Chief Minister. Minister in the hard economic times we are now fully experiencing, would you outline the latest strategy of the Government to deal with the financial shortages that we are and will continue to experience and the second part to that question, and in a recent statement the Minister suggested that there was maybe an

outside influence hindering progress of financial stimulus from the Commonwealth and has this statement been quantified

MR NOBBS

Thank you Mr Speaker I'll answer the first question from Mr Christian, this budget is no less important than last years budget in terms of the priority we're giving it, however, naturally enough we are addressing the issues that are directly falling out of the global financial crisis that as was pointed out in statements earlier, commenced what has turned out to be a 15% decline in arrival numbers. We have undertaken to measure the opportunities we have for reductions in expenditure. We've been assessing at an early stage some of the measures we can utilise if need be to asses other incoming revenues and we might as well be blunt that in terms of fees and charges and the like but in much the same way as States and Territories in Australia have viewed this crisis and even Wayne Swan in his delivery of the budget, that what we don't want to do is provide further downward pull to the economy by attempting to tax ourselves out of the current downturn in incoming revenue by airborne tourism hence the reason why we have made the approach and Minister Debus has supported that approach in terms of Norfolk Island's access to stimulus funding and though these discussions are still ongoing both the Minister for Finance and myself had a telephone conference with Minister Debus last week to work through some of the issues perhaps that are still part of the consideration of Norfolk Island in that stimulus access, as we talked about around this table at the last meeting no other State or Territory has had to alter governance to get that access to stimulus assistance as far as I'm aware. The framing of our budget has in particular been stalled by us putting every effort into progressing the stimulus funding access if it is to happen because for the executive and I'm sure for all the MLA's around the table, what we would rather do is be able to provide an outcome that isn't going to be negative on the economy and negative on families and the businesses on the island so there are a number of areas that we are looking at in terms of what we may have available to us, in the stimulus packages. There are four applications that are currently in, in the nation building grants application process and each of those is a comprehensive documents in itself, of approximately 40 pages plus each and they look at different areas of infrastructure that Norfolk Island has been invited to apply for in those grant funding applications keeping in mind of course it is a competitive process that we are embarked on there. In terms of the second part of Mr Christian's question regarding the outside interference that was mentioned at the last sitting we haven't really wasted to much time trying to pin a name on that, what we have tried to do is make forward steps on getting the stimulus package through, and finding out what the issues are in the different areas and I plan on providing a statement to the House shortly in this sitting regarding some of the issues that forestalled Norfolk Island automatically from having access to some of this stimulus and the bottom line of that appears to be at this stage that there is some hesitation from Finance to give Norfolk Island automatic access as an external territory of Australia to the stimulus finding in that we are not fully embraced within the taxation system of Australia so I will provide a wider degree of detail on that in a statement coming up. Thank you Mr Speaker

MR SHERIDAN

Mr Speaker just a supplementary question to the Chief Minister with regard to his answer there. Minister I realise that we've applied to the Australia Government for some relief through some of their programmes, now I understand that, that all that assistance is to be applied against identifiable targets ie the airport etc, so that money is not for general use, Chief Minister if we do not get a package of money from the Commonwealth Government to assist us in our everyday spending will this Government be able to maintain its normal business activities and provide for the community's welfare health and education and payment of public service throughout the next financial year

MR NOBBS

Thank you Mr Speaker and thank you for the question Mr Sheridan, quite opportunity the downturn in tourism numbers is a direct result on our incoming revenues to manage our services and the like as to what you allude to there in your question and this is the reason why we have applied not only for

those grants that do relate to infrastructure projects which in economy terms also circulate that revenue back into the Norfolk Island economy, but the bottom line is that if Norfolk Island was to achieve no outside assistance and a 15% decline in incoming tourist numbers was to continue then at this stage the jury is still out in terms of whether that may be as low as we go. We are of course carrying out through airline and through tourism every option available I think, to pursue tourism to Norfolk Island but if that trend continues downwards we of course have to make the hard decisions around this table as to what areas of expenditure we can cut and how we can manage with those revenue streams as they stand but one thing I will point out, and its very important to point out that what we have attempted to do around the table in this Legislative Assembly is plan for Norfolk Island's future. One of the issues that is recurring in various committees reports and various ministerial communications as well is our tenuous association with tourism as our revenue and as our main form of revenue so in considering fibre optic cable and considering cruise tourism and considering gaming expansion and considering a number of areas that many Members have brought to this table informally and formally, what we are attempting to do is break that reliance to some degree so that we have some surety in our future of incomes that aren't necessarily tied to an industry that can have an almost instant downturn caused by something such as a global financial crisis, a pilot strike, and various other issues

MR BRENDON CHRISTIAN Thank you Mr Speaker, just a supplementary question to the Chief Minister for that, Minister I put to the Chief Minister that no Government is in the business of giving money for nothing and does the Chief Minister have any indication of what conditions may be attached to the stimulus and there's talk of governance changes, but what is the bottom line of governance changes

MR NOBBS Thank you Mr Speaker and thank you Mr Christian for the question, let me just reflect on what I said earlier and that is, in stimulus as far as I'm aware, that has been offered to other States and Territories they have not had to alter their governance arrangements, however I will say that in ongoing discussions that the Norfolk Island Government and the Federal Minister Bob Debus have had, have been specifically up to this stage in preparing the accountability and transparency measures which the Norfolk Island Government and Public Service has prepared to virtually our completion and now await the Commonwealth advancing the relevant legislation and that becomes a stepping stone in how we move forward on the fiscal relationship we may have with the Australian government. They may consider a number of options about how that may formulate in terms of how our contributions may be and how it may be administered. It's too early to give you an answer on that and the Minister for Territories, Minister bob Debus knows that process is going to be one that is timely and will give a well-considered outcome. We are absolutely committed to the process and the Norfolk Island people won't be disadvantaged

MR BRENDON CHRISTIAN Thank you Mr Speaker, just one more supplementary question I guess the Chief Minister sort of touched on this, that the bottom line is Norfolk Island does not pay into the Australian taxation system. Does the Minister see this as a relevant fact

MR NOBBS Thank you Mr Speaker in some ways I suppose it is a hurdle in that the finance branch has advised that it has been made difficult in relation to Norfolk Island stimulus assistance given that we are not part of the system. I do go into this in the statement that is coming up and

MR SHERIDAN Mr Speaker a question for the Minister responsible for the Airline. Will the airline's year round schedule remain in place for the number of flights into Norfolk Island even though these low and high seasons are now recognised to create a surge in the marketplace

throughout the year and certainly what had been attempted to do was to try and match that with the view of the airline that we provided a year round structure that wasn't causing any disruption to the marketing and promotion plans of our wholesale partners in both Australia and New Zealand. I think it's probably, as I said, something that's worth while considering, I certainly am not one to abandon hope for Norfolk Island being able to achieve sustainable visitation to Norfolk Island on a year round basis. I think that we are facing, and certainly there's no doubt about that, challenging times in the tourism industry and as has been mentioned we are significantly down on the same figures for last year and things may get worse. There is no doubt that there are many factors that will continue to influence the tourism market into Norfolk Island for many months ahead of us so we have difficult times ahead but I remain confident that when things do improve and without doubt things will improve, clearly this is another cycle that we're in and history shows there's been a lot of cycles for visitation of people into Norfolk Island. When we recover from that we will be in a much stronger position I argue because of the implementation of our Strategic Plan and the very strong position that we will be in to address a recovering market that talk of having to mothball the industry in Norfolk Island for any given period of time will be a thing of the past but in these challenging times, it is something that needs to be considered and I think part of the way it has been considered is exactly as the Minister for the Airline has outline, the airline has been responding to the market and we have to respond accordingly, both in our marketing and promotional activities, in the provision of inventory for people arriving and departing the island, and it's a sensible approach. We can't afford at this time the luxury of running a standard service throughout the year as it is causing the airline to hemorrhage. We just simply can't afford to maintain that so I guess in short yes its something that has already begun as far as it becoming a locked in position for years ahead I would caution against doing that because I'm confident that there will be a recovery and that we will have the capacity to be able to provide full year round visitation to Norfolk Island and I think it's in our best interest to do that

MR BRENDON CHRISTIAN Thank you Mr Speaker, hopefully on a brighter note, may I suggest this to the Minister for Tourism and maybe the Minister for Finance might have an opinion on it, the financial indicators up to the end of April 2009 suggest the revenue from GST doesn't seem to be dropping to reflect the current downturn of visitors to Norfolk Island. Would the Minister suggest that may be the strategy of attracting high yielding tourism is paying off or would the Minister have an alternate explanation

MR GARDNER Thank you Mr Speaker, I would like to sit here and say yes that strategy is paying off. It's far too early to tell but as I said to Mr Christian earlier I have had responses from people within the community and some business people who have indicated that they have noticed a change in demographics. Now whether it's the right change, again it's too early to measure but a suggestion being that there are a number of so called high yielding visitors frequenting Norfolk Island. If that is correct, that is a very encouraging sign. Now if I was to suggest from the retail study that the average spend in Norfolk Island by visitors was somewhere in the region of about \$700 per person, it doesn't necessarily mean that if we were aiming for 35,000 people, that if we encourage them to drop twice as much money in Norfolk Island as their average spend, that in effect we could half the number of visitors into Norfolk Island for the same result. Clearly that is not a position that I would argue simply because what it would mean is halving the number of people on our airline seats, and halving the number of people sleeping in beds so there's not a direct correlation between the yield and our sustainability as far as it going one way and our sustainability being maintained. As far as the suggestion that I might have some other ideas to explain why GST is performing so well I think that from the proceedings that have eventuated in recent months with a number of people having been called to account for the non payment of GST that that may have encouraged more people to ensure that they are complying with the letter of the law but I doubt I seriously doubt that even that would be enough to be maintaining GST at its current level. Other than that I have no other explanation that I

could offer as to why that's turned around but a most interesting observation Mr Christian to suggest that the implementation of the Strategic Plan is working but I hope and trust that you are right

MR MAGRI

Mr Speaker this is a question for the Chief Minister on the 19th March 2008 a motion was passed that this House 1) adopt recommendations 1 to 15 inclusive of the report entitled Review of the cost to maintain the public grounds and reserves by the Public Sector and 2) requested the Chief Minister as executive member with responsibility for the Public Service to a). assume responsibility for the implementation of the 15 recommendations by July 1 2009 and b) provide the Legislative Assembly with a progress report of the implementation process by January 1 2009 and 2) with a final report on or before the 31st October 2009. Mr Speaker can the Chief Minister provide the House with a summary of actions to date on the implementation of all 15 of the recommendations contained within the above mentioned report

MR NOBBS

Thank you Mr Speaker as we are all aware other issues have leapt in front of the committee's review and so delayed the report. I had indications yesterday of maybe a question on this issue being brought to the house today and so conferred with the Chief Executive Officer of the Public Service to at least provide an overview report of how the review of the cost to maintain the public grounds and reserves by the public sector is being carried out. In reporting on the Public Accounts and Estimates Review of the cost to maintain the public grounds and reserves by the public sector I would like to begin by mentioning the five areas whereby the committee has made recommendations to the executive officer with these recommendations being included in the statement from the Chairman, Lisle Snell MLA. The committee urged the CEO to – 1. Improve budgetary processes within the Administration, 2. Develop results oriented management practices within the Departments, 3. Improve service standards and practices and establish appropriate benchmarks, 4. Introduce appropriate systems to manage information and measure outcomes, 5. Actively foster a culture of professional and effective service delivery. Now although other factors have taken priority since the third quarter of last year and there's not been the opportunity to report back to this Legislative Assembly on the progress in assessment and implementation of this report, that has not meant that the work has not been undertaken in many areas by the Public Service executive, the managers in the relevant areas and personnel involved in these areas of maintenance. The Chief Executive Officer has provided me with a preliminary report on progress and the implementation of the Public Accounts and Estimates Committee Review and in this report the Chief Executive Officer advises that many of the recommendations of the Estimates Committee have already been implemented by administrative and procedural changes within the Administration. The key areas that the CEO refers to are recommendations 1,3,4,8,10 and 11 and for those not sitting before one of those reports I'll provide some detail on what those recommendations are.

Recommendation 1 - The Administration of Norfolk Island review its current asset management practice and establish a process for annual reconciliation of inventories and accounting for those inventories

Recommendation 3 - The Administration of Norfolk Island introduce a relevant automated mechanical workshop information management system at the Airport and Works Department's which integrates and appropriately charges all information provided on Job Cards to the appropriate cost centres

Recommendation 4 - The CEO implement a total fuel management system that accounts for all fuel transactions of the Administration of Norfolk Island and connects those transactions with the appropriate business unit and work output

Recommendation 8 - The CEO separate the Noxious Weeds and Stock Inspector functions and remove the Stock Inspector functions from the Forestry department

Recommendation 10 - The CEO introduce a system to reform the Administration Budget process including the Norfolk Island Government contribution to KAVHA based on relevant and accurate historic information

Recommendation 11 - The CEO and CMG establish and implement the Norfolk Island Administration Performance Management System as provided for in the Human Resources Policy and Procedures Manual.

The CEO further expands on the process of assessing and implementing the recommendations and their relevance to the 2009/10 budget process by stating "*some of the recommendations of this Report are to be implemented through the current budget process*". One of the major concerns in the review was that the actual cost to maintain the grounds and reserves by the Public Service could not be accurately quantified. In relation to the grounds being maintained by the airport, forestry, KAVHA and the works depot, these entities are being asked to prepare their 2009/10 budgets in a performance budget orientation. An initial discussion with the respective managers was undertaken on March 25th and detailed work with each of the sections is being undertaken over the next two weeks to format their budgets into the changed format. The school and hospital both maintain their own grounds and at this stage it is not envisaged that these will be considered in relation to performance budgeting in the 2009/10 year. In the Chief Executive Officer's report in regard to performance or programme budgeting process he adds that addressing the major concerns raised in the review associated with quantifying costs and the measurement of performance can be addressed by this process. Some of the proposed solutions in the report are not thought to be logistically practical and in particular this is recommendation 13, to amalgamate the grounds and reserves staff from all departments into two specific work groups, one for grounds and one for gardens at this stage. The CEO raises one further issue in this report and that reads as follows. A further issue which does require addressing is the standard that the public grounds are being maintained to, as these have a direct bearing upon the costs and resources that have to be deployed in undertaking this task. There has been a considerable upgrading of both the areas and standard to which the reserves and public grounds are being maintained. Further consideration in the performance budget process will be the standard to which these are being requested to be maintained as this will directly impact on costs. This issue will be addressed by the Budget Review committee the Executive Members responsible and by this Legislative Assembly in our budget preparation and finalisation process. In closing this report on the committee's review I once again thank the Members of the committee involved in generating this report and the recommendations that encompass many areas and improvements to our maintenance of public grounds and reserves. I intend to provide further information on our progress in these areas as the programme performance budgeting process is established and operational. Thank you

MR MAGRI

Thank you Mr Speaker and I thank the Chief Minister for providing those answers and the update on the report and obviously I'm quite interested to hear that some of those things are actually being done. I'll have to check on them. Just a supplementary question on that. On recommendation 13 where the CEO doesn't believe that at this time it's practical to amalgamate the ground staff and reserves as requested in the report and as unanimously agreed by a motion of this House, I wonder how the Chief Minister as the head of the Public Service intends to reconcile the difference between the opinion of the Chief Executive Officer and the wishes of the House

MR NOBBS

Thank you Mr Speaker I'll take that as a direct question from Minister Magri and as I stated when the results of this committee's findings were passed to me for progressing I did point out that there were some issues within that report that still fell within the area of perhaps needing more exploration and more data. If there is to be a difference to some of these recommendations then of course I would be bringing the reasoning of that difference to the recommendations to this House. One of the things worth pointing out as stated in the CEO's report whereby recommendation 2, has not been implemented, we need to keep in mind that recommendation 2 relates to the Hospital Enterprise and although the CEO may be able to advise on how that works, the CEO has no control in the Hospital Enterprise as a statutory body

MR SHERIDAN Mr Speaker the Minister might be feeling a bit left out and is answering his own questions, so I have a question for the Minister, can you advise whether or not it is still the Governments intention to complete the Burnt Pine upgrade from the airport end of town back into town in the next financial year as planned

MR MAGRI Thank you Mr Speaker the intention to progress with the Burnt Pine upgrade was actually one of the key things that I would like to progress in this financial year. During the course of this financial year the roads budget has been required to repay a loan back to the airport that it made at its inception when the roads GBE was originally set up and its had to delay the Burnt Pine upgrade however a lot of work has been done to develop that Burnt Pine upgrade and some preliminary costings have been done to see approximately what the actual total cost will be to upgrade Burnt Pine. No final decision has been made for the roads programme for the 2009/10 period and as the Minister for Finance mentioned earlier we will be going into the bunkers tomorrow to continue to work out our priorities for the 2009/10 years of which I'll be fighting for the best ways possible to spend the money available to the roads section. Also the Chief Minister mentioned earlier that the Norfolk Island Government has been invited to make application to the Nation Building Granting Funds through the Federal programmes and there is a programme, one of the applications that we've made to them, which is in the final stages of development, is in requiring or requesting some funds to assist us with the upgrade of the roads on Norfolk Island of which obviously the Burnt Pine upgrade has a very high priority. I guess for the end of this year there'll be no work beginning for the next two months because at the moment the highest priority for the roads department is to complete the works done at Ball Bay and to try and get some works done on Hibiscus Drive which really desperately needs doing before winter

MR SHERIDAN Mr Speaker a question for the Minister responsible for KAVHA at this point in time. Minister in reference to last month's meeting where you indicated that you would investigate Minister Jack's assertion that the KAVHA Board asked landowners to apply to vary their property listed on the Norfolk Island Heritage Register. Minister have you done so and what was the findings

MR GARDNER Thank you Mr Speaker. Of course I've done so. I undertook to do so. It still remains a work in progress because there are a number of other documents that I still need to peruse and obviously before I would be in a position to, as Mr Sheridan called for, for me to refute a claim and set the record straight, I can assist in making sure that the record is on the right track, from what I've done to date. Mr Speaker clearly back in August 2006 the then Chair of the then KAVHA Board and the Chief Minister had through a statement in this House or I think in response to question from Mr Sheridan at the time, undertaken to ensure that there was going to be a full consultation process undertaken with landholders and other affected persons within KAVHA in relation to World Heritage Listing. As that progressed there was single application that was received seeking to vary the boundaries of the KAVHA area in accord with the Heritage Act of 2002. That progressed, as I understand it from the paperwork that I will table in a minute in relation to this. The then Chief Minister and Chair of the KAVHA Board by a formal statement in the House in or around December 2006 undertook clearly to ensure that under the provisions of the Heritage Act that there would be entered into a full process for invitation of public submissions on that process and what followed from there was the receipt then aside from some faxed communications from a number of landholders, the development of a proper application process for variation under the Heritage Act and those were received over a period of time and gazetted in subsequent issues of the Norfolk Island Government Gazette through January, February and March of 2007 so an additional applications to vary the register under the Norfolk Island Heritage Act were received in that period of time. With the transition from one Government to the other the then Chief Minister had asked for the preparation of a gazettal notice to go into the paper inviting submissions. An election had been called and Minister Jack who was acting on behalf of the Chief Minister in the

matter while he was absent from the Island actually signed an invitation for public submissions in January of 2007. Mr Speaker I table all of that documentation because it will be helpful for Members information. I think as far as the actual specifics are concerned and certainly my reading of the file and the assistance in preparing the response through officers has suggested clearly that the invitation was not a direct invitation for landholders for a variation to the Heritage Register. What in fact the process had done with the receipt of the initial application to vary the Heritage Register had invited submissions on that which led to the receipt of a further eight applications as part of that process, so I can understand some of the confusion that arose about it, but as far as the specifics are concerned I haven't been able to unearth a document that clearly asked for specific submissions to vary the register. It was as part of a process generally in relation to the submissions, the first submission, received under the Heritage Act for variation to the KAVHA boundaries so I hope that information is of assistance. As I said I undertook to investigate it. I'll certainly provide all of that to the Minister on her return and if she believe that she in some way erred in that matter I'm sure that she would be more than happy to explain that but that's the basis of my investigation to date and I hope it's helpful in clarifying the issue

SPEAKER Thank you Mr Gardner. Honourable Members
Question time has expired. Does any Member have any further questions without notice.

PRESENTATION OF PAPERS

Are there any Papers for presentation this morning Honourable Members

MR N CHRISTIAN Thank you Mr Speaker I table the financial indicators for the month of April 2009. Thank you Mr Speaker for the benefit of the listening public I'll run through the important parts of the financial indicators. Revenue from all sources is currently running at 101.8% of the revised budget. We have a strong performance from GST where we had on a pro rata basis expected to have received \$4,671,000 in GST receipts for the current year. We've in fact received \$5,203,000 for the year to date and in that respect GST is running \$532,000 ahead of budget. That's quite an encouraging results there. Everything else is tracking fairly well as well, except customs duty which is 11% down on where we had expected to be but we will continue to factor that in as we move forwards. On the expenditure side, we've kept expenditure under control as well and to date we have spent 95.6% of what we thought we would spend in the revised budget so at this point in time, on a pro rata basis we had expected to have been \$980,000 in the red, the actual result at the end of April is that we are \$285,000 in deficit which puts us \$745,000 ahead of where we had estimated we would be at this time, so that in itself is a pleasing result. Now if we look at expenditure in relationship to the month of April although at the end of April we had expected to be \$98,000 in deficit and the actual result has come in at \$211,000 surplus so once again a pleasing result there in these difficult times. If we turn to the page in the financial indicators which is headed up Capital Works and Purchases for the revenue fund the revised budget provided for expenditure of \$100,000 and to date we have spent \$76,500. If we turn to the page entitled Revenue Fund Current Assets and Liabilities, and the estimated position at the end of April, the situation is this, cash at bank for the revenue fund stood at \$1,770,300. We had debtors totalling \$830,100 and we had loans and advances totalling \$30,000 which gave us a total current asset of \$2,630,400. Mr Speaker from that we have to deduct our current liabilities and they total \$2,915,700 and if we add to that our long term employees entitlements of \$452,200 we come up with a total liability of \$3,367,900. That puts the revenue fund at this point in time in deficit of \$737,500. If we deduct from that the \$452,200 in long term entitlements which I'm not expecting to be called on to meet, in this financial year, the situation is a more manageable \$285,300. I think we will be able to get through this financial year, even though it has been difficult but it really means that we are starting from a very difficult position for the new financial year and as I alluded to earlier, Ministers will be meeting over Thursday and Friday to consider the best way forward for the new financial year

and I expect some tough decisions will be made in respect of expenditure, and some tough decisions will have to be made by this Legislative Assembly in respect of new taxing measures if we decide that is the way that we have to go. If we turn to the page entitled Cash at Bank at the Administration we'll run through the numbers. At the end of April 2009, total Cash at Bank stood at \$8,159,900. This compares with \$7,776,600 at the end of March and takes us basically back to a situation that we would have been in, in October last year. Money held in non trust accounts stand at \$4,468,900 and in trust accounts the amount is \$3,616,500 and included in that amount is \$2,937,900 which is money held in respect of prepaid airline tickets, so there is also an amount held there for \$74,500 in the Cascade Cliff Loan Fund and that will in due course be transferred to the Commonwealth as part of the loan repayments there, so that's the situation in respect of Cash at Bank for the entire Administration. If we now turn to the results for the Airline in April 2009 I'll share this with the public as well. Income from all sources came in at \$1,631,224 for the month and total expenditure came in at \$1,764,810 which would result after providing for \$48,300 in advertising of a loss of \$181,886 for the month. Now if we analyse those figures a little bit further we can see there on the expenditure side we've put in an amount of \$11,900 for reservation systems upgrade. There's aircraft fit out and maintenance numbers of \$150,000 but I won't make special reference to that because it cancels itself out with an equivalent amount on the income side but we do have an amount in there of \$70,800 for painting of the aircraft. Now Mr Speaker if we add the \$11,900, the \$70,000 for the painting of the aircraft and the \$48,300 that we've spent on marketing in the month, and we take that away from the \$181,000 loss for the month, in an operational sense the airline lost \$50,000 for the month. Some of those other costs as I mentioned are capital type costs and would not be recurring, so under the current economic situation that's not too bad. If we look at the situation from 2006/07 financial year through to where we are today we are in an accumulated loss situation of \$687,293 for the airline and once again, under the current economic situation that's not too bad. I would love to have been able to report that we're \$1m in front but unfortunately I can't. Whilst we're talking about the airline I think I need to quantify for the listening public the effects that the recent schedule changes will have on Norfolk Air's capacity to deliver people into Norfolk Island over the next four months. Under the old schedule with the Ozjet aircraft we would have been able to deliver into Norfolk Island from June to the end of September approximately 14,000 people during that period. For the period this year going forwards with the new aircraft which has slightly larger capacity with the reduced schedule we will still be able to deliver into Norfolk Island over that period, almost 13,000 seats and if we assume and current indications that we may carry the same number of passengers that we carried in that corresponding period last year, the seat load factor would be 69% and the reason I mention these numbers is that even with the reduced capacity of the reduced schedule there is still an ability there to sell about 30% more seats than are currently sold so there is some room for growth and if we can sell the seats well and good. Now I think in response to some of the earlier questions I indicated that the airline would still suffer a bit of a loss going forward over the next four-month period. I expect the net loss to be somewhere in the order of \$320,000 and to put it in perspective I need to sell about 67 or 70 additional seats per week at a \$400 average fare to eliminate that loss and that's what I've asked the airline CEO and Terry Watson the Tourist Bureau Manager to do their hardest to achieve and hopefully we can achieve that outcome and that's it for me in respect to the financial indicators for April. Thank you

MR SHERIDAN

Mr Speaker I move that the paper be noted

SPEAKER
be noted

Honourable Members the question is that the paper

MR SHERIDAN

Mr Speaker just a couple of questions there Minister for my own interest there, I note in the airline figures you've got some \$26,000 for April for fuel costs to Our Airline. Minister are we providing fuel for Our Airline above the contract agreement and I also note that in the electricity service there is \$674,000 in

April it's the best it's been for this financial year and just in regard to my question last month where you promised a further 6 cents reduction in the price of electricity once the funds were balanced out in the electricity is it possible now to reflect upon that promise that you made back in December and I also note that the postal service in the last four, five, six months its continually getting more and more in the deficit and is there a problem there and what is the intention to rectify that area so just those couple of queries

MR N CHRISTIAN

Thank you Mr Speaker I'll tackle the airline fuel question first. Under the new arrangements with Our Airline unlike the arrangements we had with Ozjet, Ozjet were responsible for the fuel under their contract with the Norfolk Island Administration but it had trigger points which caused the Administration to have to pay for fuel once you had reached the trigger point and gone beyond it and if you look at the figures there, in the last or in this current financial year, we had forked out \$1.5m in additional fuel consumed by Ozjet. The arrangements with Our Airline is totally different where we are responsible for all of the fuel consumed by the airline so what that allows us to do is to better manage our fuel costs because we actually only pay the actual cost incurred and there is no trigger mechanism and so in the past for instance Ozjet was buying fuel way below the trigger market they were benefiting from the savings there so that's the situation there so I suspect that the number that's in there for fuel would reflect what Our Airline has picked up in respect of the last couple of weeks of service and it would also include fuel that they have picked up in respect of services that they've provided on behalf of Ozjet to Norfolk Air. You might recall that on a couple of occasions Ozjet had gone US, Our Airline had provided the service on a charter substitution basis so they were working for Ozjet but they were paid directly by the Administration and that's the explanation there. In respect of the electricity question, yes we are sitting on \$674,000 at the end of April and that figure may well increase again at the end of the June quarter but it may just simply also reflect that I haven't actually paid a fuel bill or something like that so I would have to ask the Finance Manager to give us an explanation but certainly my intention is still to pass on whatever savings I can to the electricity consumer in Norfolk Island so what I will do is get Bruce Taylor, the Executive Director to give me a briefing on the situation there and I'll pass that on to Mr Sheridan and if I'm able to pass any fuel savings on by way of reduced electricity costs I will do so and I also draw to your attention that in the next ten days or so I think the next delivery of fuel will arrive in Norfolk Island and I'm not sure what the price will do there. Obviously the Australian dollar is appreciating against the US dollar but the price of crude has also risen from about \$50 US per barrel to about \$61 so I don't know what the net result will be there. In respect of the Post Office, we have some issues and this is one of the things that we will be going through in detail over the next couple of days with Minister Magri and the Head of the Public Service. It's quite likely that when we combine Philatelic and Postal Service together the anticipated losses for the year could be as high as \$120-130,000. Clearly that's an unsustainable situation and some hard decision making will need to be made over the next year. I'm not convinced that there is a future in philatelic stamp sales in Norfolk Island. My preference would be to shut the philatelic section down forthwith. It hasn't been profitable for a long time and I don't think it will ever be profitable again going into the future. On the postal service side of things, obviously we can't shut that down, because we need to continue handling mail, but if you look at what's happened in Australia Post they don't make much of their profit from handling mail, they make it from selling goods and our post office has started doing that, and interestingly if you look at Australia Post scenario where they made a profit last year of something like \$400m the greater part of that profit came from their road transport operation, their freight operation. It didn't come from handling mail so we're in a similar situation in Norfolk Island where handling mail has actually become a bit of a burden and I think Minister Magri over the next few days is going to have to be a little bit creative on how he eliminates the losses of Norfolk Post

MR MAGRI

Mr Speaker just in relation to that I assumed the responsibility of the Post Office and Philatelic Section approximately in December and

shortly after I made a statement in with the House that the long terms trends for revenue for in particular the Philatelic Section have been heading down for some years and I have no reason to believe that those downward trends are going to not continue in the future. We've got some pretty tough decisions to make in that area and I've already talked at length with the CEO about the different options open to us. I've also talked at length with the Manager of the Post Office and of Philatelic about what we can do. My preference at this stage is to keep the jobs and keep the Philatelic Section and keep the Post Office Section although I've got to reconcile that with the responsible spending of public monies and both the Managers of the Post Office Section and the Philatelic are aware of the challenges ahead. They have put to me some possible ways to ameliorate the ongoing financial concerns in that area and I'm talking to the CEO at the moment as to whether that can happen. One of the troubles is that some of these things take time but I'm happy to actually come to the House at the next Sitting and provide some more detail on what I intend to do in that area

MR BRENDON CHRISTIAN Thank you Mr Speaker, just to maybe have clarification for my own information from the Minister for Finance is that on the front of these indicators that we get, is that involvement with this budget in its present form is not sustainable. Would you explain to me what that actually means

MR N CHRISTIAN Thank you Mr Speaker what that says is the covering page is a memo from the Finance Manager to myself and what the Finance Manager tells me is that unless I make some adjustments I'm going to run a deficit budget

SPEAKER Thank you. Further debate Honourable Members. There being no further debate, the question is that the paper be noted and I put that question

QUESTION PUT
AGREED

Thank you. The motion is agreed. Any further Papers for presentation

MR GARDNER Thank you Mr Speaker, I table the inbound passenger statistics for April 2009 and also accompanying that an additional paper prepared by the Tourism Officer Mr Jason Adams which gives a very good insight into performance of tourism and tourism numbers over the last twelve or thirteen years or so and I move that the paper be noted

SPEAKER Honourable Members the question is that the paper be noted

MR GARDNER Thank you Mr Speaker, at last months meeting because of some confusion over figures I was unable to provide the March arrival figures but I think during debate some reference had been made to them as having an improvement for the first time in many months over a corresponding period for the previous year. I think its really an indication of the very fickle and volatile marketplace in that the month of April is the worst on record as far as that second document that I referred to is contained and that's about a 33% decline on the corresponding period from the previous year which is significant and we've talked about that this morning. We've had grafts prepared which show our average underlying decline in tourism numbers is roughly 15% or thereabouts and it's something that we are by taking into account with the preparation of next years budget and we have to settle on a realistic performance as far as tourism is going forward an it's fair to say that it's not going to get better immediately and making reference back to the cyclical nature of tourism now and our fortunes over the years, it takes time to recover so its not something that we are planning for there to be a marked improvement over the next financial year but

something that we just can't throw our hands in the air and say, look things aren't going to get better because they will get better. There's absolutely no doubt in my mind about that. We are moving ahead with confidence but bearing in mind the industry is facing significant pressure. Travel Today which is an industry travel magazine to inform industry of performance figures, yesterday indicated that the figures from the international air traffic association IATA had indicated a nearly 10% drop in March numbers for carriage worldwide. I believe that's over the previous month. If it is, that is a significant decline but the reason that I'm raising it, is that in our March figures it didn't indicate that for us, so despite the volatility there are different scenarios being played out in different parts of the world. Certainly there are places that are improving. Places, destinations that have an established profile in the marketplace, despite having reduced numbers are still maintaining a solid visitation. Others for example Tasmania, that was very pro active a number of years ago in ensuring that they locked into a strategic plan have positioned themselves and are performing quite well at the moment. I wouldn't say they are falling over each other as far as people getting to Tasmania but as far as comparisons with other destinations they are performing quite well. Interestingly enough, though our approach to the Commonwealth hasn't included the seeking of a grant to assist in tourism promotion and marketing to the tune of \$1m, in Canberra a week ago I had the opportunity to dine with one of the Commonwealth Ministers at that time who suggested to me that it's not the time and the place to be tipping a lot of money into the tourism marketplace. Again depending upon the market and the destination would depend upon whether that actually holds quite the same amount of water as an argument going forward and why I say that is I reflect back on my earlier comments about an established market with an established profile. It is far easier for them to maintain a presence in the marketplace simply because of its established presence. Ours is slightly different to that. We don't have an established presence in either Australia or New Zealand. We may have had that in years gone by but today with so many destinations, it is not there. We do need to continue to invest in it. We have to continue to invest and that's reflected in our budget going forward. Mr Sheridan asked me about initiatives continuing forward and I made mention about the statement in the House at the last sitting. It's been properly planned and properly budgeted for. There are continuing initiatives in the marketplace but some of those with all the best intentions in the world have delivered virtually no response and I think the Minister for the Airline would be able to correct me, I think the most recent campaign involved a spend of about \$30,000 and the response out of the capital cities and other places in Australia wouldn't even have covered the cost of the campaign. Fourteen bookings. So that's an indication of just how difficult it is in the marketplace but let's not think about abandoning that and let's not think about trimming our sails because we all understand that tourism is what provides us with the dollars and cents. So we must remain committed to it, but in saying that there is a need to review all of the programmes that we have place going forward. I think it probably is going to be useful that I request from the Tourist Bureau publication of another addition of the market Intel about activity, about the feedback that we get from the wholesalers and that sort of thing so it certainly is one thing that I'm keen to progress so that we can keep all of the stakeholders both in the industry and on island informed of developments. This is also coming about at a time when there is significant change in the makeup personalities involved in those. I think it was announced just in the last month that Mr Glen Buffett, Spuddy has moved on from Norfolk Pacific Holidays, he's left them, having I think been a foundation stone in their development over the years and a lot of their success is tied to his professionalism and input and he'll be sadly missed from that. I understand he's planning to study at university and then to relocate back to Norfolk Island with his family, which would certainly be a welcome, addition to our local pool of knowledge as far as tourism is concerned. That's been a significant change in Norfolk and Pacific Holidays makeup but also we've noticed the announcement of Chris Martin from Tal Pacific and her departure from that major wholesale presence who has been our largest supplier of visitors to Norfolk Island. Her experience and knowledge will be sadly missed in the industry. I hope that there is some means for us to be able to maintain our relationship with Chris, just simply because of her knowledge and experience and to be able to provide some ongoing assistance to the development of

tourism in Norfolk Island and then this morning I was advised of the imminent departure of Mr John Haschi from Fastbook Holidays who, if he hasn't already left, is leaving very shortly and again a very long relationship with Norfolk Island and all three of the people I've mentioned and I can probably include Colin Slark in that, in the not too distance past departed from Tal Pacific are people who have significant experience and knowledge about the marketplace and is a major loss to Norfolk Island and we will attempt obviously to try and maintain our relationships with those people. Spuddy will be looking to return to Norfolk Island, that Chris Martin is tooling to maintain a relationship with Norfolk Island, that Colin Slark has redeveloped a relationship with the wholesale industry and is a significant consultant to Norfolk Pacific Holidays now and we hope that John Haschi in whatever future he might have may continue his relationship with Norfolk Island in aiding and assisting in the promotion of Norfolk Island generally and that said there's significant challenges and we'll overcome and address those challenges and we will recover. But I just wanted to acknowledge the contributions of those people to the development of tourism in Norfolk Island as partners in the wholesale industry. Thank you Mr Speaker

SPEAKER Thank you. Further debate Honourable Members. There being no further debate, the question is that the paper be noted and I put that question

QUESTION PUT
AGREED

Thank you. The Paper is so noted. Any further Papers for Presentation Honourable Members. No. We move on to Statements

STATEMENTS OF AN OFFICIAL NATURE

Are there any Statements of an official nature this morning Honourable Members?

MR GARDNER Thank you Mr Speaker, just a brief statement if I may in relation to a question I was asked by Mr Sheridan during Questions without Notice and that was about the palm and fingerprint collection that was part of the Janelle Patton murder case. I've sought advise on that and the advise that I have received is that the Australian Federal Police who were the custodians of all the evidence and exhibits that was collected as part of that requested at the finalisation at the High Court proceedings advise from Norfolk Island on the future of all exhibits that were collected in relation to the case, the direction that was given back to the AFP because they actually were the property Norfolk Island so to speak, the direction that was given back to the AFP was that only relevant exhibits were to be maintained and so those that were relevant to the crime itself and I've been informed that only the McNeil fingerprints are to be kept or were to be kept. I can't confirm whether the others have yet been destroyed but I understand that all of the relevant exhibits have been returned to Norfolk Island without all of the fingerprint evidence so I assume that they have been destroyed but I will confirm that in due course. Thank you Mr Speaker

MR MAGRI Mr Speaker young people, or indeed anyone preparing to obtain a Permit or Licence to drive a motor vehicle on Norfolk Island, are given a Road Traffic Handbook to assist in preparing for their driving test. For some time now the handbook has been amended by hand which has not reflected all the changes to the *Road Traffic Act 1982* that have been made. In 2008, a Norfolk Island Youth Assembly member, who was preparing to obtain her Driver's Permit, was so disappointed in the Handbook given to her, that she moved that the Youth Assembly make it a project to rectify the inaccuracies and create a digital version of the Handbook that could be available on the Norfolk Island Government website and could be easily updated. The Project has been completed in conjunction with the Norfolk Island Police and the Registrar of Motor Vehicles. The updated, digitised Handbook has been presented to the Minister responsible for Roads and to the Norfolk Island Police. Copies

of the Handbook will now be available on the Norfolk Island Government website, on the Norfolk Island Central School website or as a .pdf file from the Norfolk Island Police for any person preparing to obtain a Driver's Licence. The Handbook will be maintained and updated regularly by the Norfolk Island Police and the Registrar of Motor Vehicles. Mr Speaker I would like to express my appreciation to the Members of the Norfolk Island Youth Assembly for their diligence and community spirit in this matter

MR NOBBS

Thank you Mr Speaker as I mentioned earlier, I intended on providing an update in Statement form regarding our discussions with the Federal Minister for Home Affairs, the Hon Bob Debus MP. Mr Speaker, I wish to report on a further telephone conference that the Minister for Finance and I had with the Federal Minister, the Hon Bob Debus last week. I am pleased to report that the Minister is supportive of our application for stimulus funding and as a result three applications under the Building Australia Fund were, this week, lodged with Infrastructure Australia. These submissions are in the areas of renewable energy, high speed broadband and airport upgrade. In addition, Mr Speaker, the Secretary to Government, Mr Peter Maywald has been in Canberra this week meeting with Departmental officers in relation to the submissions and governance issues. Mr Speaker, our latest advice from the Federal Minister was that following his communications with The Hon Lindsay Tanner, Minister for Finance and Deregulation, in which Minister Debus supported Norfolk Island's case for stimulus funding, he found little support for Norfolk Island because we are outside the Australian taxation system. Norfolk as an external territory of Australia is now being disadvantaged because we provide and finance our own programs and services such as health, education and welfare and administer Commonwealth programs such as Customs, Quarantine and Immigration without being dependent upon an the Australian taxation system to provide these services. It would appear that our success in the past of managing our own affairs is now detrimental to Australia's consideration of our current financial difficulties created by the global financial crisis simply because we are not part of the "system". As an external Australian territory we are required to meet the costs of Australian based safety and security regulations for aviation and port security, which Norfolk Island does with limited support from Australia. Meeting the requirements of CASA alone would challenge any community of our size. (The fact that we have been recognized through an airport award is small consolation). Mr Speaker, as you are aware, this Assembly has reviewed past reports by various commissions, federal ministers and standing committees and have recognized the need for diversification in our main area of revenue generation – airborne tourism. Hence the commitment to a cruise ship tourism calendar for next year, additionally we have committed in the longer term to a fibre optic cable that will enable broadband communication and broadband business enterprise opportunities. The evaluation and investment into a broadband fibre link has been no small undertaking for this Assembly. Before making a commitment to the SPIN network the Executive Members and the informal meeting of Members discussed the proposal on many occasions since July 2008. Mr Speaker, the need for high speed broadband for remote communities such as Norfolk Island is clearly summed up by Minister Tanner himself when he acknowledged in the Age Business Blog that Tasmania having a small population and relative isolation held the State back but that the broadband network has the potential to transform Tasmania's economy and I quote: *"Things are different in the emerging economy of the future. Small population means limited congestion and infrastructure problems compared with the rest of Australia. Lack of big companies means greater reliance on smaller, nimbler businesses relying on innovation rather than scale."* And further adds: *"Against this background of changing structural dynamics, the broadband network has the potential to transform Tasmania's economy. With the network up and running before much of the rest of the country Tasmania should become a magnet for people and businesses wanting to explore new products, applications and business models in the broadband world."* Mr Speaker, for nearly 30 years Norfolk Island has been innovative and cost effective. We have generated revenue and administered services and social programs and met obligations imposed on us by global events without being a burden on the Commonwealth. During the past thirty years we have addressed many infrastructure

issues and committed to meet many Australian imposed requirements and conditions in areas as mentioned above. It is a sad indictment of our relationship with Australia as an external territory that we once again fall into the grey area of no-ones responsibility when it comes down to stimulus funding that has been available to other states and territories. Prior to and after election to this assembly I discussed this same issue with the previous Minister with responsibility for Territories, the Hon Jim Lloyd and in both discussions I emphasised the positive outcome for both Norfolk and Australia if there was investment rather than restriction and I continue to emphasise this with Minister Debus. Mr Speaker, the Joint Standing Committee will again soon be visiting Norfolk Island to have discussions with this Assembly on how we administer and provide services and programs in our remote community in a cost effective, efficient and progressive way to assist them in their Inquiry into the Indian Ocean Territories. Thank you, Mr Speaker

MR GARDNER
Minister's statement be noted

Thank you Mr Speaker, I move that the Chief

SPEAKER
statement be noted

Honourable Members the question is that the

MR GARDNER
Thank you Mr Speaker, the Chief Minister has given us an overview of the discussions that he's had with Minister Debus over the intervening period since the last sitting of the House and I understand that it is proposed that those direct face to face discussions will continue as early as next week and it is hoped I would imagine that we would be seeking to get and answer on our request for stimulus funding package which includes the request for support funding for tourism promotion and marketing. I guess my question is, the degree of confidence that the Chief Minister may have in relation to our succeeding with both of those and how both that direct request for stimulus funding and for support for the tourism marketing promotion are concerned, how that relates to the other applications that have been submitted for consideration on the Building Australia fund or the Nation Building fund and maybe some insight into the possible time lines for the completion of each of those relevant processes, that might be helpful

MR NOBBS
Thank you Mr Speaker I'll start with the last question first which was in relation to the grant application for the Nation Building infrastructure based grant applications. Three of the four of our applications have been completed and as I presented in the statement have been further advanced not only by sending them to the relevant areas but also advanced by our Secretary to Government being on hand to discuss with the relevant officers in those areas the content of those applications and the reason we've gone to that extent is that as I pointed out earlier the grant applications for the Nation Building are on a competitive basis so what we want to ensure is that our applications both conform to the requirements and the areas associated with the grant but also we want to ensure that we establish a connection with the officers in those departments so that if there is other details that perhaps they may require, although I would point out that the applications have been put together in a very detailed fashion and well presented and in my reading they answer the criteria as part of those Nation Building grants. If there is further detail required then through the connections and discussions that the Secretary to Government has had whilst in Canberra he will either be able to further advance those or provide a conduit back to Norfolk Island if there is further detail we need to provide from the Norfolk Island base. The time frame for those grant applications is not something that I'm actually privy to. I would imagine that they are being assessed on a fairly regular basis given the length and breadth of that grant application process and I will just point out that at the outset when this was discussed with Minister Debus he made it very clear that Norfolk Island fit into the category and was eligible and he invited us to definitely apply in these grant applications that were applicable in terms of the Nation Building. Just additionally we have also submitted an application under the Caring for Our Country and so that also has an additional partnership base funding component to it. In coming back to the early

question where Mr Gardner queried how we feel the passage of the stimulus may go, and what our option for success may be, given that Minister Debus has taken a positive and supportive approach to Norfolk Island in this approach to Finance and deregulation for the Norfolk Island stimulus, he has also assessed the components of our stimulus request which I think has been pointed out at some time is for a total of \$2.5m. We've provided some detail both in a meeting capacity on the 26th February and in further ongoing teleconference to ensure that Minister Debus has as clear an understanding as possible of what we intend to achieve with that stimulus funding, and he has endeavoured to provide support to Norfolk Island by presenting that to Finance and Deregulation. Ongoing to that have been our reiteration that Norfolk Island is obviously in the closing stages of framing our budget and we need that stimulus package information either assented to or whether it is not to be as soon as possible, as a direct result of the teleconference that the Minister for Finance Neville Christian and myself had with Minister Debus last week. We will be making a further telephone conference tomorrow about midday to establish what steps have been taken in the interim period between last weeks teleconference and what other steps we need to take to facilitate the access to that stimulus package and it is proposed at this stage that if the opportunity arises to have a face to face discussion with the areas involved in the following week that we will definitely avail ourselves of that opportunity and I would think, take the matter to closure in one way or another

MR GARDNER Thank you Mr Speaker, just a further question to that, I'm not sure whether the Chief Minister would be in a position to provide the answer or maybe the Minister for Finance, but in those discussions I would ask the Chief Minister if the continuation of our solar rebate scheme and its extension to Norfolk Island has been part of the considerations of those discussions or is that a matter that is more broadly tied up with the budget provisions of the Federal Government

MR NOBBS Thank you Mr Speaker just in relation to that I sent a communication to the Administrator's office yesterday to enquire as to the ongoing position of those rebates as we've heard unofficially that perhaps the rebate system ended last week but in terms of the discussions on our access to stimulus or even for that matter the Governments discussion on the longer term the photovoltaic rebate hasn't really featured

MR GARDNER Thank you Mr Speaker, just a further question of the Chief Minister if I may in relation to, towards the end of his statement, a comment that the Joint Standing Committee or representatives of the Joint Standing Committee would be visiting Norfolk Island in early June, around about Bounty Day, the Joint Standing Committee have shown some interest in the Norfolk Island Governments offer to provide information on the efficient delivery of services in Norfolk Island which may be of assistance in their own enquiry into the sustainability of the Indian Ocean Territories, and I just wonder whether the Chief Minister might be able to provide some comment on whether our approach under the Building Australia Fund and through other grant mechanisms has now been fully embraced or encompassed in our arguments about sustainability of ourselves and whether that will be part of what informs the Joint Standing Committee about the ongoing sustainability of the Indian Ocean territories

MR NOBBS Thank you Mr Speaker and thank Mr Gardner for the question, in answering though at the outset let me say that by the Joint Standing Committee positively responding to our offer to assist with their enquiries into the Indian Oceans Territories and providing them with information regarding Norfolk Island's provision of those services and programmes and the cost effective delivery, that their acceptance of that and willingness to discuss those issues with us turns a lot of those previous reports and comments made against Norfolk Island on its head but in further responding to what the Minister's question was in regard to our application for grants in areas of infrastructure, I don't think it really destabilises our position overall in that this is something that is being provided across Australian States and Territories to be taken up

for the purpose of enhancing infrastructure and in some ways providing economic stimulus particularly at this time

MR BRENDON CHRISTIAN Thank you Mr Speaker, in relation to the Chief Minister's statement I touched on it in question time, and I just wanted to ask the Minister in the statement you say that we receive little support because we don't contribute to the Australian taxation system seems to be the trend, is it the intent to obtain copies of any relevant reports or to commission our own report into the pros and cons of joining the Australian taxation system or indeed if we are eligible to join the Australian taxation system by means of GST, income tax or other contributions and present this option to the Norfolk Island community

MR NOBBS Thank you Mr Speaker there are probably a myriad of answers to your question Mr Christian. What my intention is, is to find out precisely what the issue is in terms of our encompassment into the Australian taxation system or lack thereof that has stalled the stimulus application. In discussions that we have had with Minister Debus prior to this we have as a Legislative Assembly provided an outline of how we consider any fiscal analysis should be carried out in terms of our financial relationship with Australia in that I suppose most importantly the outcome doesn't disadvantage those who live on Norfolk Island but we provided in our submission not long after the Minister spoke to us in October and made his statement that we felt we would welcome any enquiry into how those possible changes may impact on Norfolk Island so that the results of those enquiries could be assessed and debated around this table as well to ensure that whatever changes or modifications were made to our financial relationship with the Commonwealth that they were in our best interest to present as a parliament

MR BRENDON CHRISTIAN Just a supplementary question to that, so the short answer being, that have we an option to investigate our eligibility and the pros and cons of joining what seems to be the biggest hurdles that has always faced Norfolk Island through financial assistance from the Commonwealth has been joining or becoming a part of their taxation system whilst respecting the fact that we understand we don't want anyone to be worse off but is it the intent to present that option for the people in the community to make that decision

MR NOBBS Thank you Mr Speaker at this stage, what we had discussed around the table informally has been perhaps a Norfolk Island contribution into the system without perhaps being absorbed into the Australian system. Whatever change may be on the table or whatever options may be up for consideration in that matter, we would definitely be bringing it to this House to discuss and of course, making everyone in this community well aware as we have done through the discussion process with the Federal Minister of what those options are and what they may entail

MR GARDNER Thank you Mr Speaker, just one other question to the Chief Minister I have asked him on a number of occasions and I know he's followed through on that in relation to our queries and the support of Minister Debus in trying to get the provisions of the private Health Insurance Act extended to Norfolk Island and this matter is primarily in relation to the MBF private health insurance premiums that are paid by a lot of people on Norfolk Island which since the 1st January have prevented them from being able to get any benefit for services provided in Norfolk Island and I wondered whether in his most recent discussions whether that matter has been raised again or whether it is proposed to raise it with Minister Debus in the next telephone conference

MR NOBBS Thank you Mr Speaker and thank you Mr Gardner for refreshing my memory on the MBF issue in particular. I did discuss this issue in person with Minister Debus whilst we were in Canberra in February. Although we may have touched on it in latter telephone conferences the telephone conference that the Minister for Finance and I had with Minister Debus was specifically focused on

addressing the stimulus package, however I will endeavour to bring the Minister's attention back to how that MBF access is progressing

SPEAKER Thank you Chief Minister. Further debate Honourable Members. There being no further debate, the question is that the Statement by the Chief Minister be noted and I put that question

QUESTION PUT
AGREED

Thank you. That motion is agreed and the Statement is so noted

MR N CHRISTIAN Thank you Mr Speaker I wish to notify the House that I have just been informed that the last remaining airworthy Ozjet aircraft was yesterday impounded by Perth Airport in response to the non payment of debts owed by Ozjet to Perth Airport. This action has prevented Ozjet from conducting its usual business and it effectively now has no income. I understand that overnight all aircraft records have been removed from Ozjet's headquarters in Melbourne by Heavy Lift personnel and returned to Heavy Lift's Sydney base. It is therefore possible that Ozjet will be placed into voluntary Administration and if this were to occur the \$1.2m owed to the Administration that I referred to earlier in questions without notice could well be at risk. Mr Speaker I will keep Members and the community fully informed as events unfold over the next few days. Thank you

MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 27

SPEAKER Honourable Members, I have received the following Message from the Office of the Administrator and it is Message No 27 which reads that on the 5th May 2009, pursuant to section 21 of the Norfolk Island Act 1979, I declared my assent to the following law passed by the Legislative Assembly, the Norfolk Island Broadcasting Authority (Amendment) Act 2009 (Act No 6 of 2009) and that message was dated the 5th May 2009 and signed Owen Walsh, Administrator

SUSPENSION OF THE HOUSE

I take note of the time Honourable Members. Is it the wish of the House that we suspend for lunch? Therefore the House stands suspended until 2 o'clock this afternoon, thank you Honourable Members

RESUMPTION OF THE HOUSE

Good afternoon Honourable Members, we recommence the meeting today the 20th May with Notices

NOTICES

IMMIGRATION ACT 1980 – RE-APPOINTMENT OF MEMBERS OF IMMIGRATION COMMITTEE

MR NOBBS Thank you Mr Speaker, I move that for the purposes of section 6 of the *Immigration Act 1980*, this House recommends the re-appointment of Simon Laurence Bigg and Lorraine Carol Boudan to be members of the Immigration Committee for the period 21 May 2009 to 20 May 2011

SPEAKER Thank you Chief Minister. Any further debate?

MR NOBBS Thank you Mr Speaker if I could just thank them for their participation in the Immigration Committee to date and for further putting their hands up to contribute to the process as it stands at the moment with the review of applicants both from the GEP and to some degree new business type opportunities so I thank them for their efforts as I do the whole committee

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

QUESTION PUT
AGREED

Thank you. The motion is so agreed to

MOTION BY LEAVE – NORFOLK ISLAND BROADCASTING ACT 2001

MR N CHRISTIAN Thank you Mr Speaker I seek leave to move the motion standing in my name on the programme relating to the Norfolk Island Broadcasting Act 2001

SPEAKER Thank you Mr Christian. Is leave granted Honourable Members? Leave is granted. Mr Christian

MR CHRISTIAN Thank you Mr Speaker, I move in accordance with the provisions of subsection 10(6) of the Norfolk Island Broadcasting Act 2001, I give notice of my intention to issue a broadcasting licence as follows, the proposed licensee is Christopher Joseph Ciantar and Robyn Kiri Blanch. The reasons for issuing the licence are to permit the licensee to conduct a Television Broadcasting facility called TVNI from premises at Steeles Point. The proposed licence will in accordance with an agreement with the Administration provide a service providing, inter alia, documentary programs, public benefit advertising ad movies to residents of, and visitors to, Norfolk Island. The terms and conditions of the licence in addition to the statutory conditions applicable to all licensees will include a requirement that the broadcast be confined to the immediate Norfolk Island community at a strength sufficient for reception only by residents of Norfolk Island and that it must not interfere with the reception of any radio or television signals from other sources. And I move that the Legislative Assembly resolve to approve the issue by the executive member of a broadcasting licence to Christopher Joseph Ciantar and Robyn Kiri Blanch or the purpose of conducting television broadcasting station under the description TVNI station for the benefit of residents of, and visitors to, Norfolk Island; and subject to the conditions that the broadcast be only within the specified UHF Channel 43 uplink and VHF Channel 10 broadcast frequency range at a strength sufficient for reception only within the territorial boundaries of Norfolk Island and that it must not interfere with the reception of any radio or television signals from other sources

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

QUESTION PUT
AGREED

Thank you. The motion is so agreed to

ORDERS OF THE DAY

CEMETERIES BILL 2008

Public Reserves Regulations 2009 that have been circulated as part of this package to Members for their consideration which have been promulgated to determine the arrangements for grave sites in preparation and how that process happens. They also deal with the erection of tomb stones, the burial fee if any, a register of persons who have been interred in the cemetery and cemetery plans and also how cremated human remains may be dealt with within the confines of the cemetery. Mr Speaker I have no further comment to make at this stage on the Bill. Likewise with the first Bill, the Cemeteries Bill 2009 it is intended that this bill will sit on the table in conjunction with that Bill and comment be sought in relation to those provisions to ensure that it will serve the community well into the future. I have nothing more to add but would invite any initial comments that Members might have at this stage on the provisions of the legislation

MR BRENDON CHRISTIAN Thank you Mr Speaker, just some clarification from the Minister on the proposed section 36C referring to burial fees. It reads the fee, if any, for burial and grave digging shall be as prescribed. Could the Minister give assurance or some sort of indication, does this mean that burials or digging of graves will be charged in the future or is there a reason why that section is in there

MR GARDNER Thank you Mr Speaker, as I understand it, at this point in time there is actually a charge that's raised for burials in Norfolk Island, I think it might be one fee unit which is around the \$20 mark or \$22 or thereabouts, I'm not exactly what a fee unit is at this stage and this just continues the ability to raise that but it's very clear that the fee, if any, for burial and grave digging shall be as prescribed. This doesn't say that there shall be a fee. It says that a fee can be imposed and the reason that it is done under regulation is that it can then be tied to the fee unit increases and the like. There is certainly no intention from this Bill to apply any other charges that I'm aware of at this stage to burials or grave digging in Norfolk Island

MR MAGRI Thank you Mr Speaker just a couple of really good questions but I'm quite happy to wait until the next sitting but I'll just bring them to the attention of the Minister but in particular one was in relation to burial fees where in lieu of the existing legislation the policy has been not to charge for the digging of graves or burial in Norfolk Island and unless that is to change I wonder why we need to have any particular reference in this Act to burial fees at all and the second one shall be in relation to the depth of the grave. These graves shall be a minimum depth of .75 metres which I think is hardly deep enough. That's just over two feet. Is there some.... I wonder what the thoughts are there. I know you are only introducing the Bill today and we can discuss that in the intervening period

MR GARDNER Thank you Mr Speaker, I think I can respond on both of those, the query of the burial fees is like a query in any of these provisions they are things that the House will either support or won't support and obviously if the reference to burial fees if felt needs to be removed I certainly have no difficulty with that but as I said, this is on behalf of Minister Jack and I'm not clear on her intentions as to why this provision sits there as it does, other than to say it does provide a mechanism to be able to charge a fee if it's thought in the future that, that was necessary. The second issue about the depths of the graves as far as I understand it, reflects practise elsewhere that allows for partners, husband and wife for example, where one has predeceased the other and is buried at a normal depth, to also share the same ground and the minimum depth is obviously something that relates to health and safety issues etc because the shallower that somebody is buried, the more likely it is for collapse from the surface so that's my understanding of that's why that provision is in there. It's not to say that everybody from here on in is buried at 2.5 feet but embraces the view to people actually sharing plots, so that partners, husbands, wives, family

SPEAKER Thank you Mr Gardner. Is there further debate Honourable Members. There being no further debate I seek a final motion Mr Gardner

MR GARDNER Thank you Mr Speaker, if there's no further debate I move debate be adjourned and the resumption of debate made an Order of the Day for a subsequent day of sitting

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

QUESTION PUT
AGREED

The Ayes have it. Debate is so adjourned Honourable Members

MESSAGE FROM THE OFFICE OF THE ADMINISTRATOR – NO 28

SPEAKER Honourable Members, I have received the following Message from the Office of the Administrator and it is Message No 28 which reads that on the 19th May 2009, in accordance with the requirements of section 25 of the Norfolk Island Act 1979, I recommend to the Legislative Assembly, the enactment of the proposed law entitled an Act to amend the Goods and Services Tax Act 2007) and that message was dated the 19th May 2009 and signed Owen Walsh, Administrator

MR GARDNER Thank you Mr Speaker, might I just raise a question in relation to that message. Mr Speaker we often receive these messages that relate to money bills and I note that His Honour the Administrator recommends the enactment of this legislation. Does that, by him recommending it, suggest that he is supportive of all of the provisions within the legislation?

SPEAKER I doubt very much Mr Gardner, but I shall rely on my advice. It relates to the legislation, section 25 that requires the recommendation of the Administrator

MR GARDNER Thank you Mr Speaker, so if I might continue that, there's nothing in the process of recommendation that suggests that the Administrator in recommending that a Bill be enacted, suggests that there's support for the provisions within the Bill

SPEAKER Not at all Mr Gardner

MR GARDNER Thank you Mr Speaker, that clarifies that

SPEAKER Thank you Honourable Members. We now move on to Notice No 4

GOODS AND SERVICES TAX (AMENDMENT) BILL 2009

MR N CHRISTIAN Thank you Mr Speaker I present the Goods and Services Tax (Amendment) Bill 2009 and move that the Bill be agreed to in principle. Thank you Mr Speaker I will table the explanatory memorandum and make an introductory speech. Mr Speaker this Bill seeks to the *Goods and Services Tax Act 2007*. The Goods and Services Tax Act 2007 originally commenced on the 16th March 2007. As we are aware the GST is now our primary tax. With the passage of time and in light of experience we need to make correction, clarification, and expansion of the provisions of the GST 2007 as being identified. The intention of this Bill is to improve the effectiveness and efficiency of the GST collection and enforcement. The Bill is not intended as a direct revenue raising measure and the underlying rate of GST at 9% will remain unchanged. The proposed changes contained in the Bill have resulted from firstly the recommendations of the GST Review Group established within the Public Service to review the Act. The

Review recommendations were subsequently considered at informal meetings of the Legislative Assembly and secondly the extensive review of the GST Act 2007 in light of comparable statutory approaches in Commonwealth and New Zealand GST legislation. The Bill introduces a new section 5. This is the central provision of the Act which imposes a liability to GST as well as allowing deductions for input tax credits and allowable deductions. The new section 5 clarifies the nature of deductions for input tax credits. The new section also places on a statutory basis the existing practice of the Administration refunding unused balances of allowable deductions, ie customs duty, included in goods on hand before the introduction of GST where a business or commercial activity is sold. Under the Bill the exemption of the Commonwealth or Commonwealth authorities is clarified while strictly speaking the Administration is exempt from GST, the amendment Bill proposes that the Administration is to be treated as if notionally liable. The Executive Member is empowered to make direction regarding the transfer of amounts within Administration accounts to give effect to this notional liability. The Executive Member may also specify Administration taxes, fees or charges, which are not to be treated as subject to GST. The GST amendment Bill proposes to enhance the effectiveness and efficiency of GST enforcement and recovery. Such measures include, The Chief Revenue Officer will be empowered to register a person under the Act if satisfied on reasonable grounds that a person is required to be registered. Specific provision is also made for the cancellation of registration under the Act. The range of documents requiring disclosure of a person's NBN is to be increased to include faxes, emails and contractual documents. The Chief Revenue Officer will be empowered to issue assessments on persons who have failed to lodge a GST return when required to do so. The usual rights of review or further right of appeal to the Court of Petty Sessions will be available. A new section 9A sets out the requirements for the issuance of a tax invoice for a taxable supply. This is a common feature of GST regimes in other jurisdictions and one that local experience has proven should be included in our system. The Chief Revenue Officer's power to obtain relevant information will be expanded to a similar power as that contained in the *Social Services Act 1980*. The Chief Revenue Officer will be able to provide written rulings on the way the Chief Revenue Officer considers a relevant provision of the Act or regulations apply. Such public rulings will be readily available and will be binding on the Chief Revenue Officer until the ruling is withdrawn or ceases to operate. This measure is intended to assist registered persons in meeting their obligations under the GST Act. The power of the Chief Revenue Officer to enter and remain on premises or inspect or examine records and other items is clarified and expanded. Proposed new part 3A sets out requirements for the attribution to a tax period of GST on taxable supplies and input tax credits on a credible acquisition. Previous experience has shown that a number of registered persons were seeking to delay the recognition of transactions for which GST was payable while at the same time giving earlier recognition to transactions that gave rise to an input tax credit. The new part 3A seeks to impose consistency in accounting and reporting. Proposed new part 3B sets out requirements for the keeping of records of GST transactions. Mr Speaker a general outline or explanatory memorandum of the bill has been prepared and I table that. Mr Speaker I intend that this Bill will sit on the table until the next meeting and in the intervening period I've arranged for Wayne Richards, the Deputy Crown Counsel and Shelley LeCren, the Chief Revenue Officer to attend a meeting of MLA's next week where MLA's can be thoroughly briefed on the changes that we are proposing to make to the GST legislation. Thank you

MR NOBBS

Thank you Mr Speaker I welcome these amendments coming to the table today. They've been the outcome of the working groups review of issues and modifications to the GST system. I do just have one specific question for the Minister and that relates to the powers of the Chief Revenue Officer. The Minister referred to the Chief Revenue Officer having similar powers to the Social Service Department and so I assume that means that in that way, the officer has access to banking information as well, is that correct

MR N CHRISTIAN Thank you Mr Speaker, that is correct. When somebody is under investigation we need to be able to have access all aspects of that person's business life

MR SHERIDAN Mr Speaker I won't say too much, like the Chief Minister says, it's taken a long time coming, the review has been on the Draftsman's table for many a month, and just a couple of queries there. Initially I note that the Commonwealth exemption there, it does not apply to the Commonwealth or a body or authority established for on and behalf of the Commonwealth. Does that mean that both the Administrator or the office when they purchase goods on the island they don't pay in any way towards our public funds

MR N CHRISTIAN We will seek some clarification in respect of that and I can advise Members when we meet next month but it appears that as a Territory I have no ability to tax the Commonwealth

MR SHERIDAN Thank you Mr Speaker and just another query, I note there, that it was in the old Act and it was the ability if you don't earn up to \$3000 in any consecutive period of twelve months, I wonder if any thought has been given to the actual clause to refer to the period of twelve months as to a set period, ie a calendar year or financial year, purely because I have some representation by people who just say for instance, they retire after 40 or 50 years work and they retire say on the 1st of July for ease of this exercise, and if they've been earning \$4 or 5,000 per month prior to their retirement they would still dabble into a couple of hundred dollars a month, and they would still have to lodge a return for at least eleven months purely because they were earning \$200 per month because in June say \$4,000 so I was just wondering whether it could be a set period, ie a financial year, instead of a rolling twelve months and that would make things a lot easier for a lot of people on this island

MR BRENDON CHRISTIAN Thank you Mr Speaker, just a couple of carry ons from the question that Mr Sheridan raised, in relation to Commonwealth agencies, you have no ability to charge them GST or to tax them as such, does this go back to the original conception of GST being any Commonwealth agencies so far have been charged GST that the Government as such would have to refund the agencies with the GST that they have contributed to the Administration

MR N CHRISTIAN Thank you Mr Speaker in short I have no intention of repaying any money that we've collected with good intent in the past. What we're trying to do here is to clarify the situation in respect of my ability to tax the Commonwealth. For instance I'll highlight a problem that was identified earlier on. If you are a merchant in Norfolk Island and you previously have done business with for instance National Parks, and you levied GST upon the purchases made by National Parks from that supplier you run the risk of the Parks Department changing their purchasing habits and by that I mean they may become an importer themselves and bypass the local merchant in which case they would be liable to pay import duty because it becomes a private import and the Commonwealth Government is exempt from paying the import duty. So that's one of the areas we are seeking to clarify

MR BRENDON CHRISTIAN Thank you Mr Speaker, just a second issue on that. There's some twenty pages of proposed amendments there, and I haven't been able to go through the whole thing in detail but there is a point that the Minister may be able to clarify, in the section where it states that GST is payable upon earning more than \$3000 income I believe. In clarification for that that's been brought up to me by several people within the community, if a person as such has a business and maybe a market or a small business as such and they are on the threshold of maybe earning \$3,000 and maybe they earnt \$2,500 last year and they go over the \$3000 in one financial year, what then happens to the GST that they may or may not have charged in that twelve months period. Say someone's earnt \$2,500 dollars and they haven't charged any GST, they are well

within the law, if somebody has no intention of earning \$2,500 and say come to the end of the year they've earned \$3,500 would they then be in breach of the Act because they have not charged GST on the entire twelve month period or as much as, if they have only \$2,500 in that twelve month period but they have charged GST, is there a mechanism to refund that GST because it hasn't really supposed to have been charged maybe

MR N CHRISTIAN Thank you Mr Speaker as I understand this and we've dealt with this once before, you only register for GST if you are reasonably certain that you are going to exceed the \$3,500 threshold, and if you are not certain and you don't register but you do exceed the \$3,500 threshold as I understand it, you are then required to register and pay the GST. Now if you are going to exceed the \$3,500 and you don't and you've collected GST from persons and you've remitted that GST to the office I don't think there is any ability to claim back a refund if you subsequently don't pass the \$3,500 threshold. That's just tough luck

MR GARDNER Thank you Mr Speaker, just to query the Minister's response there, I see in Bill it still refers to \$3000 aggregate and I note in clause 4 which is an amendment to section 6 in provision 3(a) it says that regulations may prescribe an amount different from the amount in subsection 3, which refers to the \$3,000 with the Minister's reference to \$3500 is it proposed that the regulations will reflect that with some immediate effect, an increase to \$3,500

MR N CHRISTIAN No, I was just using the \$3,500 descriptively, \$3,000 is the actual number contained in the Act and as far as I'm aware there's no reason to change that

SPEAKER Further debate Honourable Members. There being no further debate I call on Mr Christian for a final motion

MR N CHRISTIAN Thank you 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

FIXING OF THE NEXT SITTING DATE

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

MR SHERIDAN Mr Speaker I move that the House at its rising adjourn until Wednesday 17th June 2009, at 10.00 am.

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

QUESTION PUT
AGREED

The motion is agreed to

ADJOURNMENT

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

SPEAKER Thank you Mr Christian. Is there any further participation in adjournment debate Honourable Members?

MR NOBBS Thank you Mr Speaker, normally after a sitting I would inform the public of the usual Minister's forum on the local radio station, available to answer questions and the like, however the Members of the executive are required tomorrow morning quite early to commence some of the additional review that we are committed to in terms of our budget review committee so we will be unable to attend the radio station tomorrow morning however what I have indicated to the radio staff is that perhaps any questions that were sent in, in anticipation of our being able to be on the forum could be emailed down to us in Kingston and perhaps could find sometime during the day to give answers to some of those questions

SPEAKER Thank you Chief Minister. Any further debate Honourable Members. I now put the question that the motion be agreed to that the House do now adjourn

**QUESTION PUT
AGREED**

Therefore Honourable Members this House stands adjourned until Wednesday 17th June 2009, at 10.00 am.

